

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS, AND MINING

SUBMIT IN DUPLICATE\*  
(Other instructions on  
reverse side)

5. Lease Designation and Serial No.

ML- 33348

6. If Indian, Allottee or Tribe Name

## APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

7. Unit Agreement Name

8. Farm or Lease Name

STATE

9. Well No.

ST. #1-16A

10. Field and Pool, or Wildcat

SALT WASH

11. Sec., T., R., M., or Blk.

and Survey or Area

SW. SE. SEC. 16-23S-17E

SLM.

12. County or Parrish

GRAND

UTAH

1a. Type of Work

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. Type of Well

Oil Well ☒Gas Well ☐

Other

Single Zone ☐Multiple Zone ☐

2. Name of Operator

MEGADON ENERGY CORPORATION

3. Address of Operator

STE. 440, 57 WEST SO. TEMPLE, SALT LAKE CITY, UTAH

4. Location of Well (Report location clearly and in accordance with any State requirements.)\*

At surface

SW. SE. SECTION 16-23S-17E.

At proposed prod. zone

800' FR. S-LINE &amp; 1840' FR. E-LINE

14. Distance in miles and direction from nearest town or post office\*

APPROXIMATELY 15 MILES SE. OF GREEN RIVER, UTAH

15. Distance from proposed\*

location to nearest  
property or lease line, ft.  
(Also to nearest drlg. line, if any)

16. No. of acres in lease

353 Ac.

17. No. of acres assigned  
to this well

80 Ac.

18. Distance from proposed location\*  
to nearest well, drilling, completed,  
or applied for, on this lease, ft.

19. Proposed depth

8700'

20. Rotary or cable tools

ROTARY

21. Elevations (Show whether DP, RT, GR, etc.)

4403' GRD.; 4418' K.B.

22. Approx. date work will start\*

FEB. 12, 1981

23.

## PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
12 1/2"	9 5/8"	36.00#	1850'	350 sks
8 3/4"	5 1/2"	17.00 & 23.	8700'	1000 sks

It is planned to drill a well at the above location to test the oil production possibilities of the Mississippian - Leadville formation at a depth of approximately 9000'. The well will be drilled with rotary tools using mud and air for circulation. A short piece of conductor pipe (13 3/8") will be set at about 35 feet and cemented and then a 12 1/2" surface hole will be drilled to a depth which is below the massive sands and cemented to the surface. An 8 3/4" hole will then be drilled to total depth. A blow-out preventer, hydril, and rotating head will be used for control equipment. In the event of production, 5 1/2" casing will be set and thoroughly cemented from the bottom up to above the salt section. A prognosis for the well is attached.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

Signed

*H. Row Grigley*

Title PRESIDENT

Date 2-6-81

(This space for Federal or State office use)

Permit No.

Approval Date

Approved by

Title

Date

Conditions of approval, if any:

APPROVED BY THE DIVISION  
OF OIL, GAS, AND MINING

DATE: 3/3/81

BY: *CS Feight*

\*See Instructions On Reverse Side

PROGNOSIS FOR  
MEGADON ENERGY CORPORATION  
SALT WASH - STATE #1-16A WELL  
SW. SE. SECTION 16-23S-17E.  
GRAND COUNTY, UTAH

LOCATION: SW. SE. Section 16, T 23S, R 17E., S.L.M., Grand County,  
Utah (800' from S-line and 1840' from E-line)

ELEVATION: 4403' Grd; 4418' K.B.

SURFACE CASING: One joint of conductor pipe (13 3/8" or equivalent) will be set and cemented manually at the surface; then a 12½" hole will be drilled to a depth of 1850' for the surface casing. 1850 ft. of 9 5/8", 36.00#, K-55 casing will be set and cemented with 350 sks. of reg. cement w/3% CaCl, with returns to the surface. Casing will be set with a guide shoe and six (6) centralizers. A casing head, Series 900 with No. 10 flange, will be installed on top of the casing. The cement will be allowed 12 hours to set before nipping up.

EXPECTED FORMATION TOPS:


<u>Formation</u>	<u>Depth to Top</u>	<u>Thickness</u>	<u>Datum</u>
Entrada	Surface	350'	4330' K.B.
Carmel	350'	50'	3980'
Navajo	400'	600'	3930'
Kayenta	1000'	50'	3330'
Wingate	1050'	400'	3280'
Chinle	1450'	300'	2880'
Shinarump*	1750'	80'	2580'
Moenkopi	1830'	450'	2500'
Kaibab*	2280'	100'	2050'
Coconino	2380'	600'	1950'
Wolfcamp	2980'	500'	1350'
Hermosa*	3480'	1650'	850'
Paradox Salt*	5130'	3000'	-800'
Pinkerton Trail*	8130'	300'	-3800'
Mississippian*	8430'	—	-4100'
TOTAL DEPTH	8700'		

\*Formations which may have hydrocarbons.

1. It is planned to set and cement one jt of 13 3/8" casing for a conductor and then to drill a 12 1/2" surface hole for the surface casing to a depth of about 1850'. (This depth will be sufficient to set the casing thru the Shinarump formation for the protection of possible uranium mines in the area.) Casing, 9 5/8", 36.00#, K-55, R-3, will be run and cemented with 350 sks of cement with returns to the surface. The surface hole will be drilled with air and air mist and a deviation of no more than 2° will be maintained. A casing head, Series 900, will be mounted on top of the casing and a blowout preventer with hydraulically operated blind and pipe rams, and a hydril, will be mounted on the casing head. Fill and kill lines will be connected thru a manifold to the casing head below the blind rams. As soon as the cement plug is drilled out of the surface casing, the B.O.P. and hydril and surface casing will be tested to 2000#.for leaks.
2. A 8 3/4" hole will then be drilled below the surface casing to a depth of about 6000', using air and/or air mist for circulation. At this point, the air system is to be changed over to a salt base mud to permit drilling the salt section below. All subsequent shows of hydrocarbons will be drill-stem-tested. Particular attention will be given to the Cane Creek zone near the base of the salt section. This zone can be productive and is very susceptible to formation damage by the drilling fluids and cement. No barite (barium sulfate) is to be used at any time, if it can possibly be avoided.
3. The hole will be kept straight by stabilization or thru drilling methods. Deviation surveys will be taken at 600' intervals. Maximum deviation will be kept below 6°, if possible, and the maximum drift between surveys will be 2°.
4. Samples of the cuttings will be taken at 30-ft. intervals, beginning at 800', and continuing to a depth of about 6000' or when conversion to mud drilling is begun, then 10' samples will be taken.
5. The well will be drilled to a depth which is at least 300 ft. below the top of the Mississippian formation or to good commercial production. In the event of good production before the Mississippian is reached, the drilling may be discontinued at this point and 5 1/2" casing run to permit drilling deeper at a

later date. The mud program will be supervised by the company representative.

6. At total depth, the well will be logged electrically; and a Gamma-Induction log and a Gamma-Density-CNL log will be run.
7. If production is obtained in the Mississippian, casing, 5½", 23.00#, N-80, R-3 will be run from about 8700' to about 5000' and 5½", 17.00# casing will be run from 5000' to surface, and cemented with about 200 sks of RFC cement and 800 sks of Pozmix (50-50) light cement w/5% salt, 5% gilsonite, and 6% salt. Sufficient cement to cover the salt section will be used.
8. A gamma-cement bond log will be run and the production zone perforated, 2 3/8" tubing run, and completed conventionally. It may be necessary to break down the formation with a weak acid treatment which would be swabbed out immediately after treatment.
9. The drilling of this well should take about one month and completion work should take about ten days.

  
W. Don Quigley  
MEGADON ENERGY CORPORATION  
Suite 440, 57 W. So. Temple  
Salt Lake City, Utah 84101

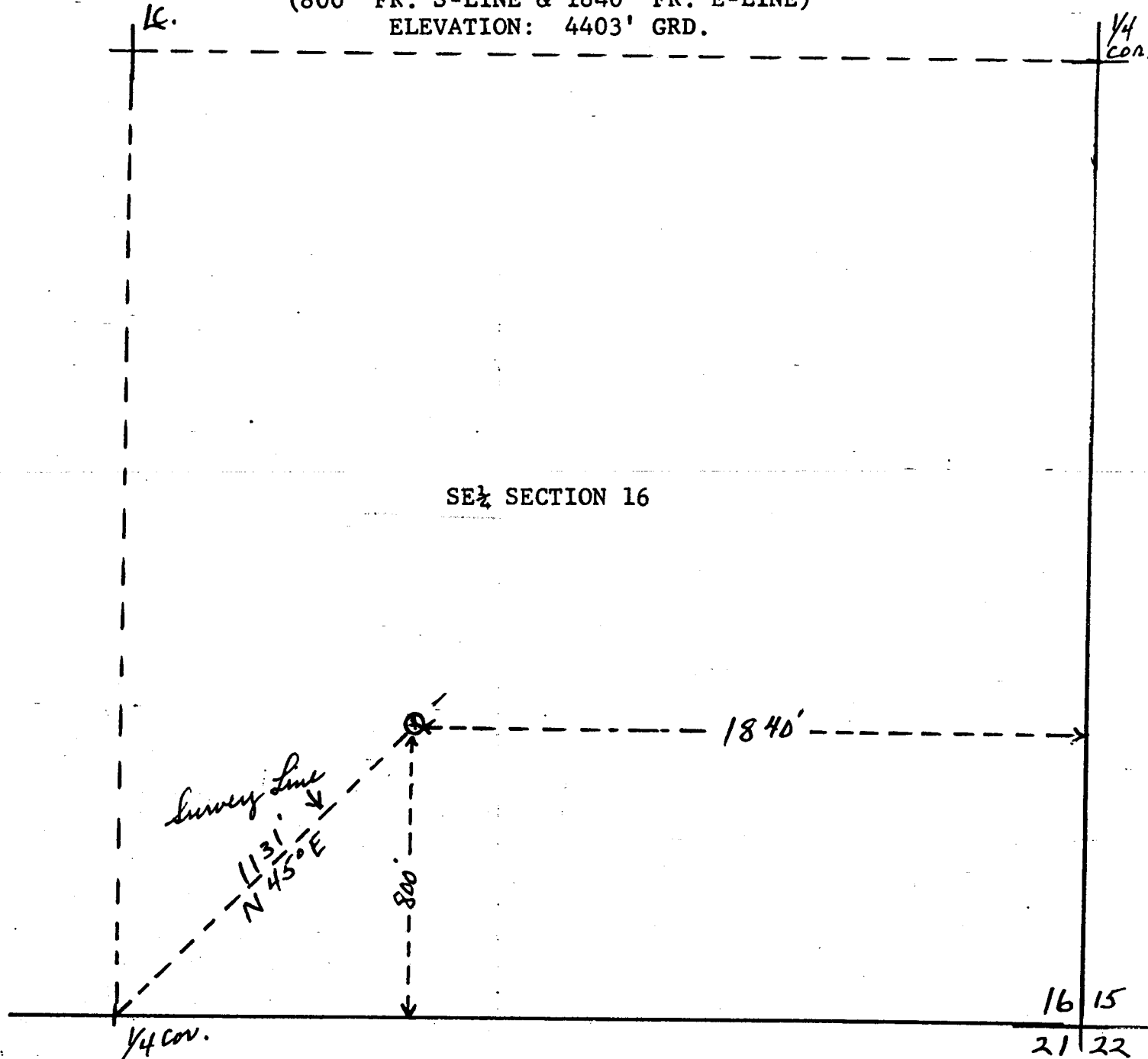
LOCATION PLANS FOR  
MEGADON ENERGY CORPORATION  
SALT WASH - STATE #1-16A WELL  
SW. SE. SECTION 16-23S-17E.  
GRAND COUNTY, UTAH

1. A survey plat (Plat #1) is attached showing the location of the proposed well site. Map #1 shows the route from Hwy. 50-6 to the well site from Floy Junction.
2. Map #1 shows the access road to the well site from present roads. The road will be along the base of a small ledge and across sand dunes over fairly flat land. No deep cuts or removal of rock will be required.
3. All present wells and dry holes in the Salt Wash Field are shown on Map #1.
4. See 1 and 2 above for other roads in the area.
5. A plan for the location of the production equipment at the well site, if the well is successful, is shown on Plat #2. Since this well is an offset well to present production, it should be an oil well completed in the Mississippian formation, and should flow, thus eliminating the need for a pump jack. The flow lines, heater-treater, tank battery, and fluid pit will be installed as shown.
6. Water for drilling purposes will be obtained from the Green River and will be hauled to the well location by truck. This is a distance of about 3 miles. Salt water from adjacent wells can be used.
7. A plan for the placement of the drilling equipment to be used in the drilling of the proposed well is shown on Plat #3. This plat shows the reserve pit and waste or burn pit. Excess drilling mud and waste water will be deposited in the reserve pit during drilling operations. The waste and burnable material will be put in the burn pit. At the completion of the well these pits will be folded-in and levelled.
8. See location of house trailers on Plat #3.
9. There is one airstrip in the vicinity of the well location and this will be needed for transporting the crews.

10. See Plat #3 for the drilling equipment layout.
11. There is little topsoil on top of the rocks at the proposed well site. Mostly sand is present and the vegetation is sparse. Some sage brush covers the surface sparsely. After the well is completed the location will be cleaned and levelled; and the pits will be covered.
12. The location is beside a present road and <sup>ON</sup> relatively even ground. There will be a 4-5' cut on the north side. The reserve pit will be dug at least  $\frac{1}{2}$  in native rock and soil. This rock and soil will be used to build the sides of the pit. Sediments belonging to the Morrison and Entrada formations are exposed around the cliff edges and on the hill tops. The flat surfaces are mostly sand and sand dunes. This is in a developed oil field and there are numerous roads and trails crisscrossing the area.

*H. H. Gungley*

LOCATION PLAT FOR  
MEGADON ENERGY CORPORATION  
STATE #1-16A WELL  
SW. SE. SEC. 16-23S-17E.  
GRAND COUNTY, UTAH  
(800' FR. S-LINE & 1840' FR. E-LINE)  
ELEVATION: 4403' GRD.



REFERENCE PTS. ARE: 200' N-S-E-W

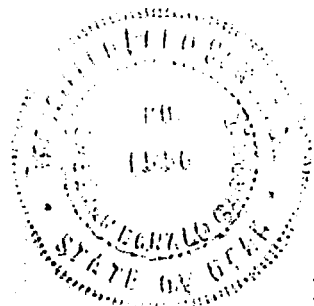
SCALE: 1" = 400 ft.

DATE: FEB. 6, 1981

I, Sherman D. Gardner, do hereby certify that  
this plot was plotted from notes of a field  
survey made under my direct responsibility,  
supervision, and checking on February 3, 1981.

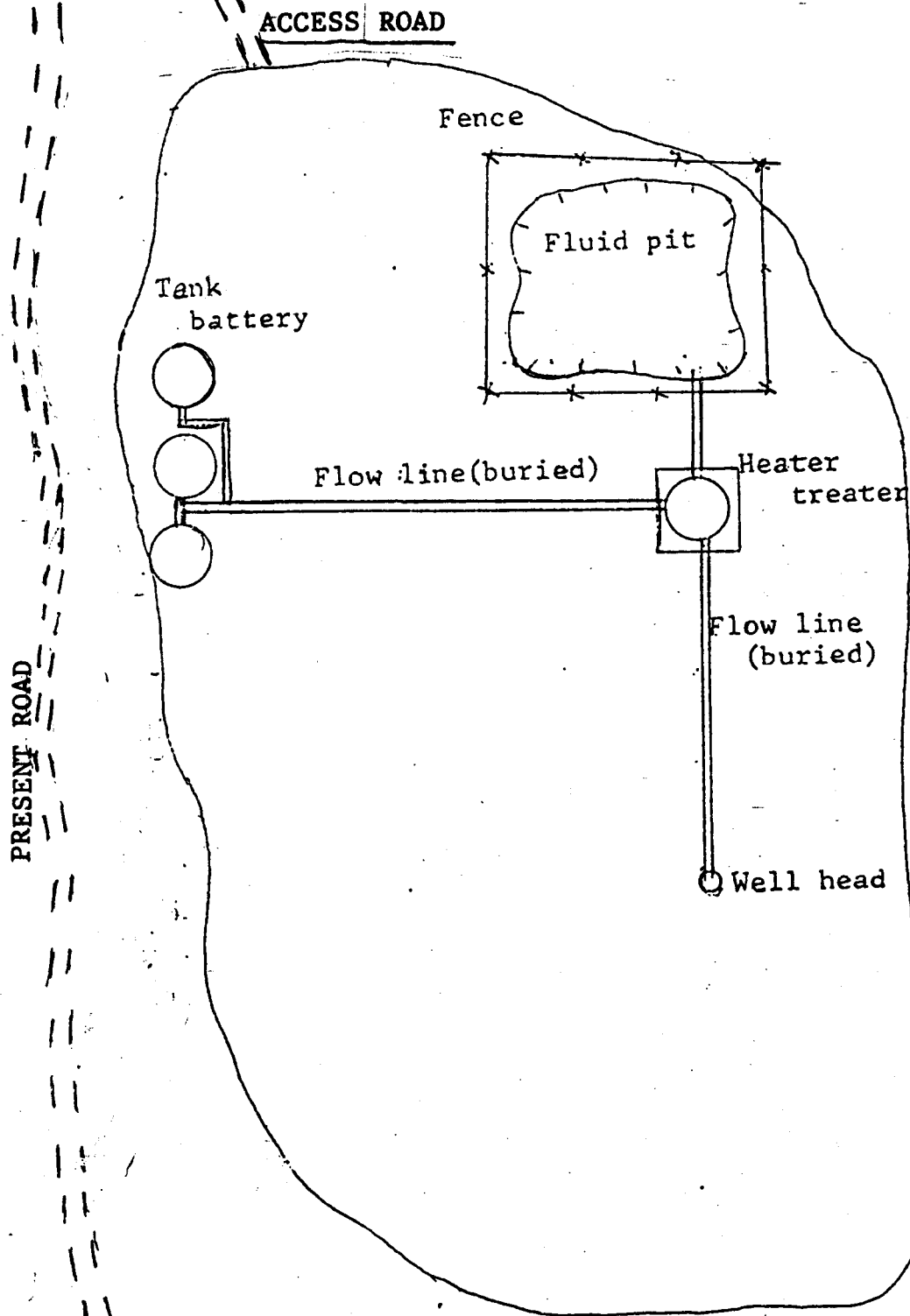
*Sherman D. Gardner*

Registered Land Surveyor  
State of Utah #1556



PLAT #1

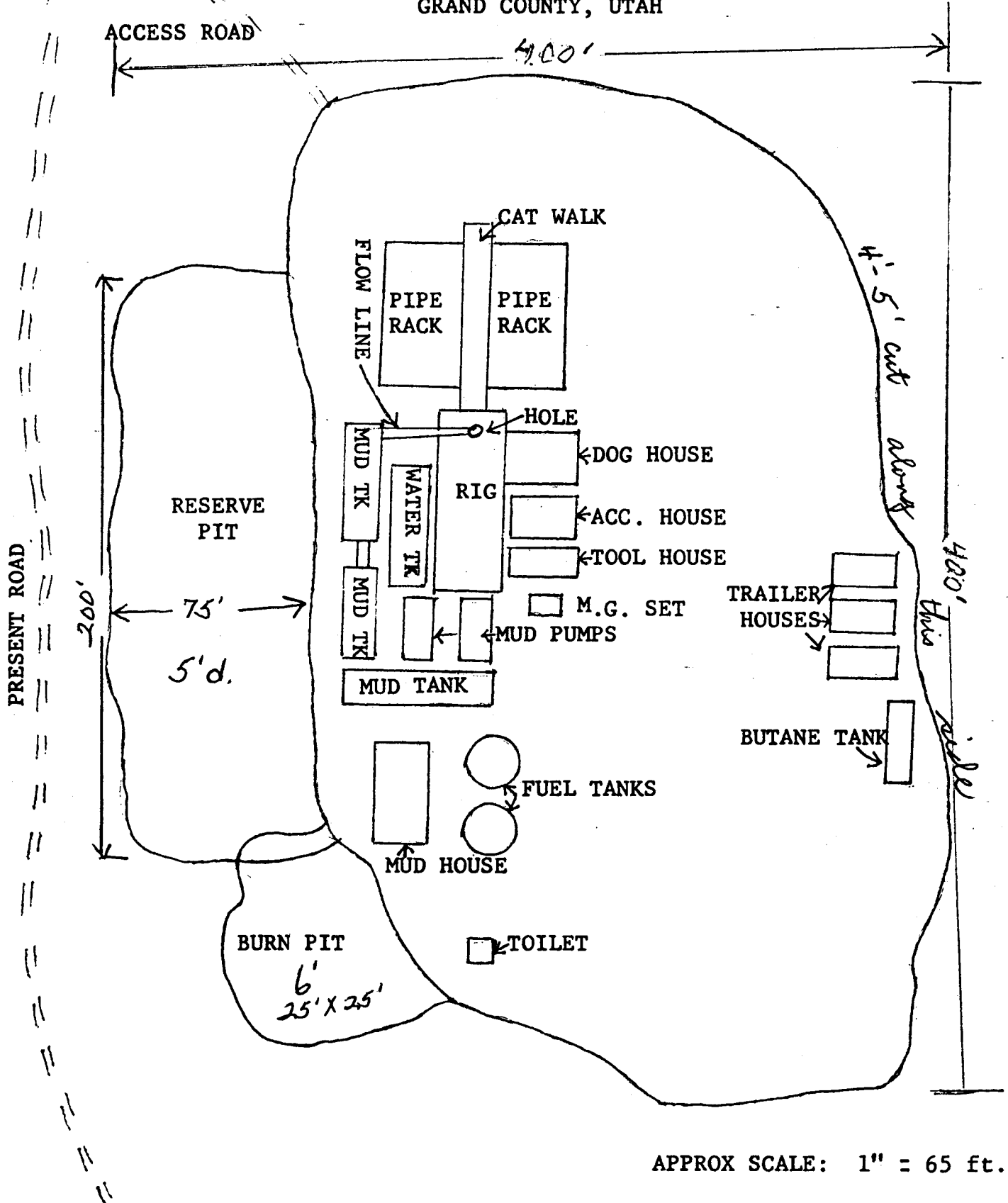
PLAN FOR PRODUCTION EQUIPMENT  
MEGADON ENERGY CORP. ST. #1-16A WELL  
SW. SE. SECTION 16-23S-17E.  
GRAND COUNTY, UTAH



Approx. scale: 1 in. = 65 ft.



DRILLING EQUIPMENT LAYOUT  
FOR  
MEGADON ENERGY CORP.  
STATE #1-16A WELL  
SW. SE. SECTION 16-23S-17E.  
GRAND COUNTY, UTAH



APPROX SCALE: 1" = 65 ft.

WELL CONTROL EQUIPMENT FOR  
MEGADON ENERGY CORP. STATE #1-16A WELL  
SW. SE. SEC. 16-23S-17E.  
GRAND COUNTY, UTAH

The following control equipment is planned for the above designated well:

1. Surface Casing:
  - A. Hole size for the surface casing is 12 $\frac{1}{4}$ ".
  - B. Setting depth for surface casing is approx. 1850'.
  - C. Casing specs. are: 9 5/8" O.D., J-55, 36.00#, 8-rd. thread, new or used.
  - D. Anticipated pressure at setting depth is approx. 700 lbs.
  - E. Casing will be run and cemented with 100 sks of cement and with returns to the surface.
  - F. Top of casing will be at ground level.
2. Casing Head:

Flange size: 10"; A.P.I. Pressure Rating: 3000#; Series 900; Cameron, O.C.T., or equivalent; new or used; equipped with two 2" ports with nipples and 2", 3000# W.P. valves. Casing head and valves will be set above ground.
3. Intermediate Casing:

None
4. Blowout preventers:
  - A. Double rams; hydraulic; one set of blind rams for 4" drill pipe; 10" flange; 3000# W.P.; Series 900; equipped with mechanical wheels and rod for back-up; set on top of casing head and bolted down securely; pressure tested for leaks up to 2000#; Cameron, Shaffer, or equivalent. A hydril and rotating head will also be used.
  - B. The fill and kill line are to be connected to the 2" valve in the casing head and are to be heavy duty line pipe or tubing. The kill line will be connected to the mud pump and the flow line will be directed into the reserve pit.
5. Auxilliary Equipment:

A float valve (3000# W.P.) is to be used in the bottom drill collar at all times. A kelly valve (at least 3000# W.P.) will be installed in the stand pipe and a valve with proper sub will be available for stabbing in the drill pipe or drill collars.
6. Anticipated Pressures:

The shut-in pressure of the Mississippian formation at a depth of about 9000' has been recorded at about 4000#, in the Salt

Wash Field. This will be the pressure that will be considered in the control program for the mud.

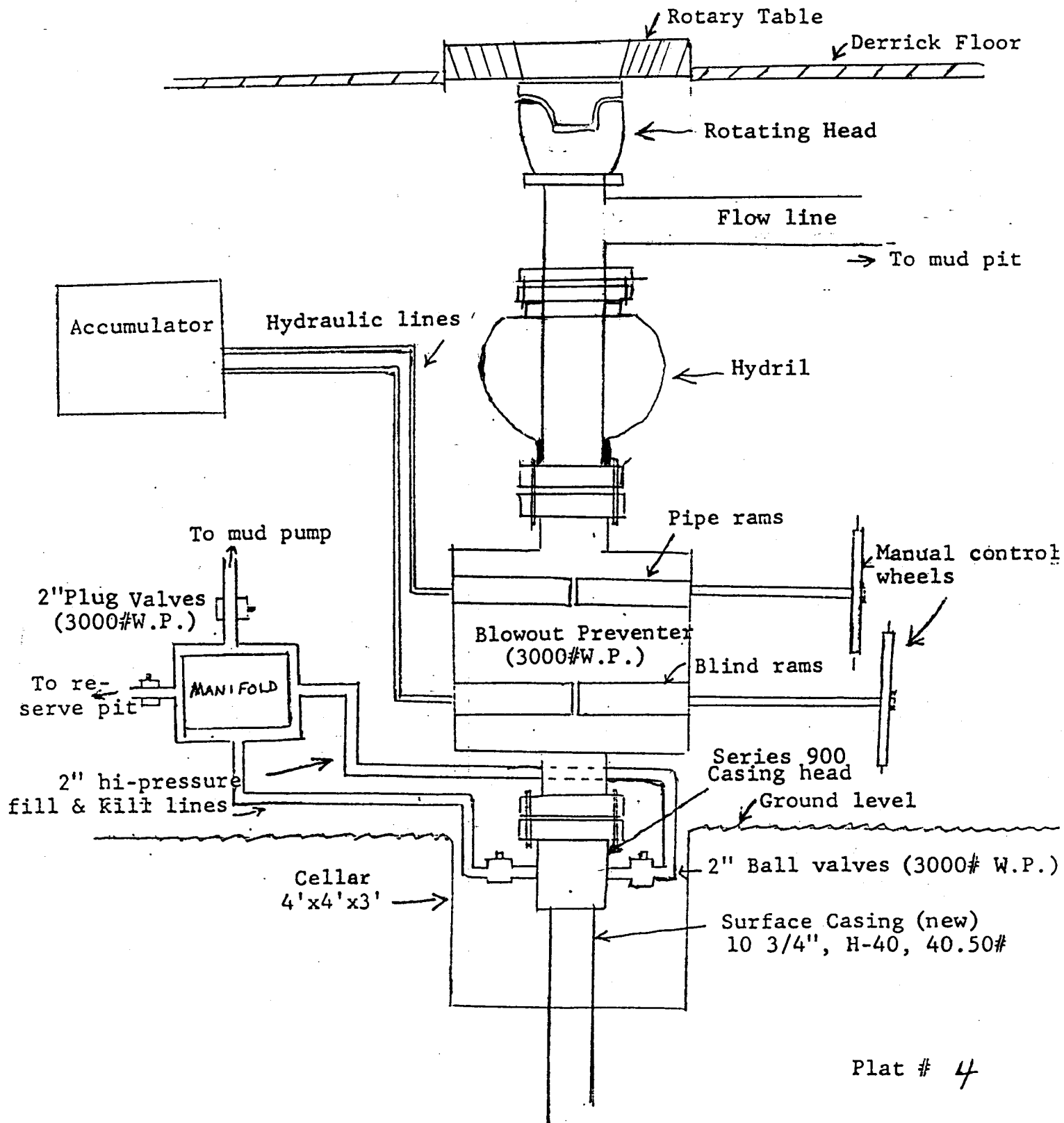
7. Drilling Fluids:

Normal mud or air will be used to drill the well down to the top of the salt section of the Paradox Formation, which is expected at a depth of about 5100'. At a depth of about 5000', the fresh water mud will be converted to salt base mud to prevent wash-outs in the salt section. This will also give a mud weight of over 10#/gal. which will provide for a hydrostatic pressure of about 4600# at 9000', which should be sufficient over balance to hold the pressure of the potential reservoir at this depth. No toxic gases are anticipated.

8. Production Casing:

- A. Hole size for production casing is 8 3/4".
- B. Approx. setting depth is 8700', which should be about 250' into the Mississippian formation.
- C. Casing specs are: 5½" O.D.; N-80 for lower 4000' - 23.00#; J-55 for upper 5000' - 15.50# or 17.00# which ever is available.
- D. Casing will be run and cemented with approx. 1000 sks in stages. The bottom of the casing, from 8750' to 8000', will be cemented first with about 200 sks; this will be allowed to set and then the rest of the cement will be used to cement the salt section. This will prevent undue hydrostatic pressures on the production zone. After the cement cures the casing will be set on slips in the casing head. Tubing, 2" O.D., will be run; plugs will be drilled out; tubing will be set in tubing head which is securely bolted to the casing head; and then the well will be perforated under a water cushion at the proper intervals.

SCHEMATIC DIAGRAM OF  
CONTROL EQUIPMENT FOR THE  
MEGADON ENERGY CORP.  
STATE #1-16A WELL  
SW. SE. SEC. 16-23S-17E.  
GRAND COUNTY, UTAH





359-3575

**\*\* FILE NOTATIONS \*\***

DATE: Feb. 23 1981

OPERATOR: Megadon Energy Corporation

WELL NO: State 1-16A

Location: Sec. 16 T. 23S R. 17E County: Grand

File Prepared: ☐

Entered on N.I.D: ☐

Card Indexed: ☐

Completion Sheet: ☐

API Number 43-019-30783

**CHECKED BY:**

Petroleum Engineer: \_\_\_\_\_

Director: OK rule C-3

Administrative Aide: C-3 spacing - OK on bndry  
OK on any other oil or gas wells

check on STATUS  
to be plugged  
Megadon Ener.  
St 1-16

**APPROVAL LETTER:**

Bond Required: ☐

Survey Plat Required: ☐

Order No. \_\_\_\_\_

O.K. Rule C-3 ☐

Rule C-3(c), Topographic Exception - company owns or controls acreage within a 660' radius of proposed site ☐

Lease Designation St.

Plotted on Map ☐

Hot Line ☒

Approval Letter Written ☒

P.I. ☒

March 4, 1981

Megadon Energy Corporation  
Suite 440, 57 West South Temple  
Salt Lake City, Utah 84101

Re: Well No. State 1-16A  
Sec. 16, T. 23S, R. 17E, SW SE  
Grand County, Utah

Insofar as this office is concerned, approval to drill the above referred tooall well is hereby granted in accordance with Rule C-3, General Rules and Regulations and Rules of Practice and Procedure. However, this approval is conditional upon Well #1-16, in same location, is properly plugged and abandoned.

Should you determine that it will be necessary to plug and abandon this well, you are hereby requested to immediately notify the following:

MICHAEL T. MINDER - Petroleum Engineer  
Office: 533-5771  
Home: 876-3001

Enclosed please find Form OGC-8-X, which is to be completed whether or not water sands (aquifers) are encountered during drilling. Your cooperation in completing this form will be appreciated.

Further, it is requested that this Division be notified within 24 hours after drilling operations commence, and that the drilling contractor and rig number be identified.

The API number assigned to this well is 43-019-30783.

Sincerely,

DIVISION OF OIL, GAS, AND MINING

  
Michael T. Minder  
Petroleum Engineer

MTM/ko

cc: Donald Prince, State Land Board

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS, AND MINING

## SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER INFORMATION		5. LEASE DESIGNATION AND SERIAL NO. MI-3348	
2. NAME OF OPERATOR MEGADON ENERGY CORPORATION		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
3. ADDRESS OF OPERATOR SUITE 440, 57 WEST SO. TEMPLE, SALT LAKE CITY, UTAH		7. UNIT AGREEMENT NAME	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface  SW, SE. SECTION 16-23S-17E. SLM 800' FR. S-LINE AND 1840' FR. E-LINE		8. FARM OR LEASE NAME STATE	
14. PERMIT NO.		9. WELL NO. ST. #1-16A	
15. ELEVATIONS (Show whether OF, BT, OR, etc.) 4403' GRD; 4418' K.B.		10. FIELD AND POOL, OR WILDCAT	
16. PERMIT NO.		11. SEC., T., R., M., OR BLE. AND SUBVY OR AREA	
17. COUNTY OR PARISH GRAND		18. STATE UTAH	

19. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	FULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDISE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) INFORMATION <input checked="" type="checkbox"/>	

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

THE SUBJECT WELL WAS SPUDDED IN ON MAY 24, 1981 P.M. AND COMMENCED DRILLING ON MAY 26, 1981 WITH REPUBLIC RIG #9 ON THE HOLE. CONDUCTOR PIPE (13 3/8", 40') WAS SET AND CEMENTED WITH RETURNS TO THE SURFACE.

THE SUBJECT WELL IS PLANNED TO BE DRILLED TO A TOTAL DEPTH OF 8700'.

RECEIVED

JUN 1 1981

DIVISION OF  
OIL, GAS & MINING

18. I hereby certify that the foregoing is true and correct

SIGNED

*[Signature]*

TITLE

SECRETARY/TREASURER

DATE MAY 28, 1981

(This space for Federal or State office use)

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

DATE



STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS, AND MINING

SUBMIT IN DUPLICATE\*  
(See other instructions  
on reverse side)

5. LEASE DESIGNATION AND SERIAL NO.

ML-33348

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

STATE

9. WELL NO.

#1-16A

10. FIELD AND POOL, OR WILDCAT

SALT WASH

11. SEC., T., R., M., OR BLOCK AND SURVEY  
OR AREASW. SE. SEC. 16-23S-17E.  
SLM.12. COUNTY OR  
PARISH  
GRAND13. STATE  
UTAH

## WELL COMPLETION OR RECOMPLETION REPORT AND LOG \*

1a. TYPE OF WELL: OIL WELL ☒ GAS WELL ☐ DRY ☐ Other ☐b. TYPE OF COMPLETION: NEW WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. RESVR. ☐ Other ☐

3. NAME OF OPERATOR

MEGADON ENERGY CORPORATION

3. ADDRESS OF OPERATOR

57 WEST SOUTH TEMPLE, SALT LAKE CITY, UTAH

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)\*

At surface SW. SE. SECTION 16-23S-17E, SLM.  
At top prod. interval reported below 1840' FR. E-LINE)  
(800' FR. S-LINE AND  
At total depth

14. PERMIT NO.

DATE ISSUED

43-019-30783

3-3-81

15. DATE SPUDDED

5-24-81

16. DATE T.D. REACHED

7-22-81

17. DATE COMPL. (Ready to prod.)

SEPT. 17, 1981

18. ELEVATIONS (OF, BKB, RT, GR, ETC.)\*

4403' GRD; 4418' K.B.

19. ELEV. CASINGHEAD

4404' GRD.

20. TOTAL DEPTH, MD &amp; TVD

8825'

21. PLUG, BACK T.D., MD &amp; TVD

8765'

22. IF MULTIPLE COMPL.,  
HOW MANY\*23. INTERVALS  
DRILLED BY

ROTARY TOOLS

0-8825'

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)\*

8600-8690'

25. WAS DIRECTIONAL  
SURVEY MADE

NO

26. TYPE ELECTRIC AND OTHER LOGS RUN

DUAL LATEROLOG, GAMMA-DENSITY-CNL

27. WAS WELL CORED

NO

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 3/8"	54.5#	40'	17 1/2"	30 sks	NONE
8 5/8"	32.00#	1970'	12 1/4"	725 sks	NONE
5 1/2"	17-23#	8806'	7 7/8"	840 sks	NONE

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)

30. TUBING RECORD

31. PERFORATION RECORD (Interval, size and number)

8770-8800' 1 sh/ft - plugged off  
8715-8750' 1 sh/ft  
8670-8690' 1 sh/ft

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
8770-8800	1000 gal 28% HCl - Plugged
8670-8750'	1500 gal 20% HCl

33. PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)					WELL STATUS (Producing or shut-in)	
Sept. 17, 1981		Flowing					Shut-in	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO	
9-17-81	8 hr	12/64"	→	2		200 bbl		
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)		
1400#	0#	→	4		400 bbl			

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

TEST WITNESSED BY

W. Don Quigley

35. LIST OF ATTACHMENTS

Drilling &amp; Completion Histories &amp; Sample Log.

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

W. Don Quigley

TITLE

PRESIDENT

DATE

10-26-81

\*(See Instructions and Spaces for Additional Data on Reverse Side)

# INSTRUCTIONS

**General:** This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

**Item 4:** If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

**Item 18:** Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments. **Items 22 and 24:** If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

**Item 29:** "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

**Item 33:** Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

37. SUMMARY OF POROUS ZONES: SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF: CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES				38. GEOLOGIC MARKERS		
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	MEAS. DEPTH	TRUE VERT. DEPTH
Entrada	645'	960'	Tan, m.g. rd'd sandstone			
Navajo	960'	1275'	Red sandstone, shale and siltstone			
Wingate	1275'	1540'	Red siltstone and sandstone			
Chinle	1540'	1940'	Red, gry, purple, black shale, red siltstone and gry limestone			
Shinarump	1940'	2005'	Gry conglomerate, red and gry shale			
Moenkopi	2005'	2364'	Red shale and siltstone			
Kaibab	2364'	2520'	Brown chty limestone, rd-brn shale			
Coconino	2520'	2935'	White, hard, f.g. sandstone			
San Rock	2935'	3180'	Rd sh., siltstone			
Wolfcamp	3180'	4205'	Limestone			
Rico	4205'	4434'	Brn and blue-gry limestone			
Hermosa (up)	4434'	5190'	Limestone, shale, and quartzitic ss.			
Paradox	5190'	8050'	Salt, black shale, and anhydrite			
Cane Ck	8050'	8245'	Anhydrite, black shale, dolomite			
Pinkerton	8245'	8390'	Anhydrite, limestone, and dolomite			
Miss-Leadville	8390'	8825'	Chalky to dense limestone and dolomite			

DRILLING AND COMPLETION HISTORIES  
ON  
SALT WASH #1-16A WELL  
GRAND COUNTY, UTAH

OPERATOR: Megadon Energy Corporation  
Suite 240, 57 West South Temple  
Salt Lake City, Utah 84101

CONTRACTOR: Republic Drilling & Service Co.  
Three Riverway, Suite 1770  
Houston, Texas 77056

LOCATION: SW $\frac{1}{4}$ SE $\frac{1}{4}$ , Section 16, T 23S, R 17E, SLM  
Grand Count, Utah (800' fr. S-line and 1840' fr. E-line)

ELEVATIONS: 4403' Grd.; 4418' K.B.

SPUDDED-IN: May 24, 1981

DATE FINISHED DRLG: July 22, 1981

TOTAL DEPTH: 8825'

SURFACE CASING: 54 jts (1982') of 8 4/8", 32.00#, K-55, R-2 casing.  
Landed at 1970' K.B. and cemented w/725 sks reg. cement  
w/3% CaCl.

PRODUCTION CASING: 217 jts: 129 jts (4960') of 17.00#, K-55, R-2  
casing; and 88 jts (3646') of 23#, N-80, R-2 casing and  
landed casing at 8806'. Cemented casing w/400 sks of  
self stress cement w/37% salt.

PRODUCING FORMATION: Mississippian-Leadville

OPEN PERFS: 8760-8790'; 8715-8750' w/1 sh/ft.

TUBING & PACKER: 8590' of 2 3/8", 4.70#, EWS, w/packer set at 8590'

DATE OF FIRST PRODUCTION: September 17, 1981

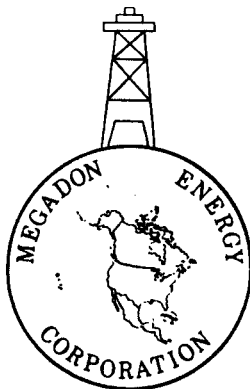
INITIAL PRODUCTION RATE: 400 bbl fluid on 12/64" choke (1% oil)

TUBING PRESSURE: 1400#

FUTURE PLAN: Will try to separate oil and water zones by plugging  
off lower perfs (8715-8750') and perforating higher in  
the Mississippian.

Suite 440 / 57 West South Temple  
Salt Lake City, Utah 84101  
Bus. Tel: (801) 359-3575  
Res. Tel: (801) 295-1870

President: W. Don Quigley  
Vice President: Margaret Quigley  
Secretary: Sherrill L. Bateman



SALT WASH #1-16A WELL  
SECTION 16-23S-17E,  
GRAND COUNTY, UTAH

DRILLING HISTORY

- May 21: Moving in Republic Drlg. Co. Rig #9 from Canada, Unload trucks. Set matting boards.
- May 22-24: Rigging up. Welding flow line and nipping up.
- May 25: Drilled 50' to 115' (60'). Began drilling at 3:00 AM. Drilling a 12 $\frac{1}{4}$ " hole, using water for circulation. Survey at 115' was 1 $\frac{1}{2}$  $^{\circ}$ .
- May 26: Drilled 115' to 528' (413'). Drilling in Entrada-Navajo sandstone at rate of 18 ft/hr. with 15,000# on bit at 80 RPM. and using water for circulation.
- May 27: Drilled 528' to 885' (357'). Made rd-trip at 528' for new bit. Bit #1 (HTC OSC-1G Re-tip) made 472' in 42 hrs. Drilled at avg. rate of 11 ft/hr. Survey at 528' was 3/4 $^{\circ}$ . Survey at 638' was 3/4 $^{\circ}$ . Survey at 843' was 3/4 $^{\circ}$ . Drlg in sand of Navajo formation.
- May 28: Drilled 885' to 1188' (303'). Survey at 1125' was 1 $^{\circ}$ . Drilling with water at rate of 11 ft/hr. with 15,000# on bit at 75 RPM. Drlg in Wingate sand.
- May 29: Drilled 1188' to 1444' (256'). Survey at 1250' was 1 $^{\circ}$ . Wt. on bit is 15,000#, RPM is 75. Pump pressure is 350# at 100 S.P.M. (Triplex - 5 $\frac{1}{2}$ " liners - 8" stroke). Drlg in Wingate sand. Total Estimated Cost to Date is: \$168,050.00.
- May 30: Drilled 1444-1578' (134'). Survey at 1500' was 1 $^{\circ}$ . Est. top of Chinle at 1550' due to reverse drilling break. Samples also had gray and grn shale. Drilling at rate of 8 to 10 ft per hr. with 15,000# on bit at 75 RPM and drilling with water.
- May 31: Drilled 1578' to 1695' (117'). Drlg. slow at rate of 5 ft/hr with 25,000# on bit at 75 RPM. Drilling in Chinle shale.

MEGADON ENERGY CORPORATION  
SALT WASH #2-16A WELL  
CONTINUED DRILLING HISTORY

PAGE 2

- June 1: Drilled 1695' to 1816' (121'). Survey at 1700' was  $3/4^{\circ}$ . Drilling at rate of 5 to 6 ft/hr. in Chinle shale.
- June 2: Drilled 1816' to 1947' (131'). Estimate top of Shinarump at 1930'. Still drilling slow at rate of 5 to 6 ft/hr. in Chinle mostly. No survey made today.
- June 3: Drilled 1947' to 1980' (33'). Estimate top of Moenkopi at 1970'. Ran 54 jts of 8 5/8", 32.00#, K-55, R-2 casing. Landed casing at 1970' K.B. Had to weld collar on two jts due to poor threads in collar. Waited  $1\frac{1}{2}$  hrs on welder. Cemented casing with 725 sacks of regular cement w/3% CaCl. Plug down at 8:30 P.M. Waited on cement to set.
- June 4: Waited on cement to set until 6 AM. Cut off casing and welded on bell nipple for casing head. Installed casing head and began nipping up BOP and Hydril, and flow-line.
- June 5: Finished installing BOP, hydril, and flow-line. Installed and welded discharge and kill lines plus manifold. Went in hole with 7 7/8" bit, drill collars and drill pipe to near top of plug. Pressure tested BOP and casing to 1500#. Had leak in casing or cement. Called Don to check it out. Called National Cementers to recement or squeeze casing.
- June 6: Came out of hole with drill string. Closed blind rams and hooked up National Cementer's pump truck to casing head. Pressured-up to 2500# and had no leaks. Pressure tested 5 times to 2500# and had no leaks. Pumped 3 bbl cement around surface and had to dump the rest. Waited 2 hrs on cement and then went in hole with 7 7/8" bit. Bit #2 (Smith F-2 RR) made 1452' (528' to 1980') in 163 hrs. Drilled at avg. rate of 9 ft/hr. Began drilling ahead at 7 AM. Cement top at 1780'. Drilled 1980' to 2134' (154'). Generators and SCR system broke down at 4:30 PM. Called for electrician and mechanic. Estimate cost to date is \$273,435.
- June 7: Drilled 2134' to 2165' (31'). Rig repair (SCR System) for  $19\frac{1}{2}$  hrs. Reamed 40' to bottom (2 hrs.). Wt. on bit is 25,000# at 70 RPM. Pump press. - 550# at 100 SPM ( $5\frac{1}{2}$ " X 8" liners).
- June 8: Drilled 2165' to 2487' (322'). Survey at 2279' was  $3/4^{\circ}$ ; at 2477' was  $1^{\circ}$ . Drilling in Moenkopi shale and siltstone at rate of 12-16'/hr. with 25,000# on bit at 70 RPM. Mud wt. is 8.7, Visc. is 33.

MEGADON ENERGY CORPORATION  
SALT WASH #2-16A WELL  
CONTINUED DRILLING HISTORY

PAGE 3

- June 9: Drilled 2487' to 2755' (268'). Survey at 2663' was 1°. Made rd-trip at 2755' for new bit. Bit #3 (HTC-J22 RR) made 776' (1979' to 2755') in 55½ hrs. Drilled at avg. rate of 14 ft/hr. Est. top of Kaibab at 2490' and top of Coconino at 2535'. Cut about ½ of Coconino and pulled bit to keep from leaving cones in hole. (Bit was worn badly.)
- June 10: Drilled 2755' to 2879' (124'). Finished trip in hole. Washed and reamed 40 ft. back to bottom. Wt. on bit is 20,000# at 70 RPM. Pump pressure is 650# at 100 SPM. Mud wt is 8.9 and Visc. is 33.
- June 11: Drilled 2879' to 2943' (64'). Survey at 2943' was 1°. Made rd-trip at 2921' for new bit. Bit 34 (HTC-J22 RR) made 166' (2755' to 2921') in 26 ¾ hrs. Drilled at avg. rate of 6 ft/hr. Est. top of Cutler at 2900'.
- June 12: Drilled 2943' to 3148' (205'). Est. top of Wolfcamp section at 3130' due to gray limestone bed. Down time on rig was 2 ¾ hrs due to SCR work. Drlg at avg. rate of 9 to 10 ft/hr.
- June 13: Drilled 3148' to 3276' (128'). Survey at 3225' was 1°. Made rd-trip at 3225' for new bit. Bit #5 (Reed HS51 RR) made 300' (2921' to 3225') in 26 hrs. Drilled at an avg. rate of 11½ ft/hr.
- June 14: Drilled 3276' to 3472' (196'). Drilling in limestone of Wolfcamp at rate of 7 to 10 ft/hr. with 25,000# on bit at 70 RPM. Mud wt. is 8.9; Visc. is 36; W.L. is 12; Solids are 4%. Estimate cost to date is \$352,955.
- June 15: Drilled 3472' to 3670' (198'). Survey at 3599' was 1°. Est. top of Hermosa at 3470' due to decrease in drilling rate. 25,000# on bit at 70 RPM. Mud wt. is 9.0 visc. is 35; w.l. is 12. Pump pressure is 850 at 75 SPM.
- June 16: Drilled 3670' to 3909' (239'). Drlg in limestone of Hermosa formation at rate of 7 to 12 ft/hr. No surveys today.
- June 17: Drilled 3909' to 4073' (164'). Survey at 3912' was 1½°. Made rd-trip for new bit. Bit #6 (Varel ST-G) made 858' (3225' to 4062') in 90½ hrs. Drilled at an avg. rate of 9½ ft/hr.
- June 18: Drilled 4073' to 4344' (271'). Survey at 4131' was 2°. Drilling in limestone of Hermosa at rate of 15 ft/hr. with 35,000# on bit at 70 RPM. Mud wt. is 9.0; visc. is 35; and w.l. is 20. Pump pressure is 1500# at 75 SPM.

MEGADON ENERGY CORPORATION  
SALT WASH #1-16A WELL  
CONTINUED DRILLING HISTORY

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- June 19: Drilled 4344' to 4585' (241'). Survey at 4348' was 2°; at 4537' was 2½°. Drlg. in limestone and chert at rate of 11 ft/hr. with 35,000# on bit at 75 RPM. Pump pressure at 1500#, at 75 SPM.
- June 20: Drilled 4585' to 4707' (122'). Made rd-trip at 4624' for new bit. Bit #7 (Reed FP53) made 551' (4073' to 4624') in 51 3/4 hrs. Bit came out with the center completely scoured out suggesting iron in the hole. Went back in with a varel bit. Formation has lots of chert and dolomite.
- June 21: Drilled 4707' to 4931' (224'). Survey at 4755' was 2½°. Bit began acting up at 4920' and so started out of hole at 4931'. Bit #8 (Varel V-537) mad 307' (4624-4931') in 32 hrs. Drilled at the rate of 9½ ft/hr. Bit #8 also came out with the center scoured out. So decided to run Globe basket to fish out junk in hole.
- June 22: Started in hole with junk sub and new bit; but caught crew before reaching bottom; so had them come out to pick up Globe basket. Waited 7 hrs for tools. Went in hole with Globe basket and cut 6" and came out of hole. Recovered 3" O.D. X 5" core of pyritized chert, which was responsible for tearing up the bits. Laid down basket and put on a tooth bit to further dress the hole. Estimated cost to date is: \$449,750. 7-1-81
- June 23: Drilled 4931' to 5049' (118'). Went in hole with Bit #9. Began drilling ahead at 6:30 AM. Drilling at rate of 7 ft/hr. in hard limestone. Survey at 5006' at 2½°. Drlg with salt mud, not quite saturated at this point.
- June 24: Drilled 5049' to 5168' (119'). Drlg real slow in upper Hermosa section. No sign of salt yet. No surveys this day. Wt. on bit 12,000# at 60 RPM. Pump pressure 1200# at 75 strokes/min. (Triplex - 5½" liners - 8" stroke). Mud wt. = 9.6, Visc. 47, W.L. 24; F.C. = 3/32; Gel = 11/12; sand 1%; solids 4.4%; Chlorides 70,000 ppm; calcium 400 ppm.
- June 25: Drilled 5168' to 5248' (80'). Made rd-trip at 5190' for new bit. Bit #9 (Security M-89) made 259' (4931' to 5190') in 45½ hrs. Drld at an avg rate of 5½ ft/hr. Reamed bottom 40 ft. of hole. Began drlg ahead at 1:30 PM. (No Survey.)
- June 26: Drilled 5248' to 5335' (87'). Still drlg slow at rate of 4-5 ft/hr in anhydrite and dolomite. No apparent salt yet, but may be in an anhydrite fociies of the Paradox section. Survey at 5320' was 2½°.

MEGADON ENTERPRISES INC.  
SALT WASH #1-16A WELL  
CONTINUED DRILLING HISTORY

- June 27: Drilled 5335' to 5572' (237'). Drilling 15 ft/hr. occasionally in salt beds. Est. top of salt around 5368'. (May be low to SW #1-15 but top of Paradox zone could be higher than this.) Had to make round-trip to find hole in pipe. Found hole 2 jts. above collars. Went back in hole with Bit #10.
- June 28: Drilled 5572' to 5748' (176'). Had clastic zones which drilled slow. Drilling in anhydrite black shale, and dolomite, plus some salt beds. Survey at 5626' was 2½°.
- June 29: Drilled 5748' to 5915' (167'). Drlg. erratically in salt and anhydrite. Pump pressure is dropping. Increased wt. on bit. Drlg. at rate of 7 ft/hr. Have good gas odor in black shale.
- June 30: Drilled 5915' to 6088' (173'). Avg. drlg. rate is about 7½ ft/hr. with 18,000# wt. on bit at 60 RPM. Pump pressure is 1300 psi at 75 SPM. Mud wt is 10.4, Vis is 35, W.L. is 32, Gel is 1/3; F.C. is 2/32; Sand is ¼%; Solids are 4%. Chloride are 175,000 ppm, calcium is 400 ppm. Survey at 5975' was 2½°.
- July 1: Drilled 6088' to 6285' (197'). Survey at 6256' was 3 3/4°. Had to decrease wt. on bit back to 12,000#. Suspect small hole in pipe or jet in bit washed out. Drlg. in salt and clastics.
- July 2: Drilled 6285' to 6340' (105'). Made rd-trip at 6385' for new bit. Bit #10 (Security S86F) made 1195' (5190' to 6385') in 151 hrs. Drilled at an avg rate 7½ ft/hr. Went back in hole and reamed bottom 40 ft.
- July 3: Drilled 6390' to 6548' (158'). Drlg. at rate of 6-7 ft/hr. in salt and anhydrite and some black shale. Pump pressure down to 1100#. Didn't find any holes in drill pipe and put smaller jets in bit (11-11-12). Still pressure is down. Decreases drlg rate. Mud wt is 10.4, Visc. is 37, W.L. is 20.
- July 4: Drilled 6548' to 6728' (180'). Drlg some better but slow. Wt. on bit is 12,000# to keep hole straight. Drlg at rate of 7½ ft/hr. Pump pressure is low (1100#). Still can't find reason. SPM are 80, and have both pumps on hole. Velocity of fluid is 365 gal/min.
- 7-8-81



MEGADON ENTERPRISES INC.  
SALT WASH #1-16A WELL  
CONTINUED DRILLING HISTORY

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- July 5: Drilled 6705' to 6873' (168'). Survey 6847' was 2°. Drilling at rate of 7 ft/hr. in black shale, anhydrite, and salt. Wt. on bit is 1200# at 60 RPM. Pump pressure is 1100# at 80 SPM. (Must be hole in pipe or jet washed out in bit.)
- July 6: Drilled 6873' to 6979' (106'). Drilling in clastic section from 6860' to 6979' at rate of 3 to 6 ft/hr. Pump pressure still low.
- July 7: Drilled 6979' to 7150' (171'). Survey at 7096' was 1½°. Pump pressure down to 1100#. Decided to make rd-trip to determine reason. Pumped down some soft line first. Came out of hole slowly. Found wash-out in drill pipe 2 joints above drill collars. Back on bottom at 6:30 P.M. Had 1550# pump pressure at 65 SPM. Drilling much better. Salt bed at 6980' was about 30' high to #1-15.
- July 8: Drilled 7150' to 7450' (300'). Survey at 7395' was 1°. Had salt from 6980' to 7130' and then clastics from 7130' to 7160'; then salt from 7160' to 7207'; then clastics to 7220'; then salt to 7261'; then clastics to 7286'; then salt to 7430'; then clastics to 7248'. Had slight shows (black petro. shale with odor and scattered fluorescence in anhydrite) in clastic sections.
- July 9: Drilled 7450' to 7855' (305'). Survey at 7687' was 2½°. Had increased weight on bit to 18,000# and hole has started walking off. Will keep this weight until next survey. Drilling in interbedded salt and clastics. Still picking up some structure elevation over the #1-15 well. Drilling at avg. rate of 13 ft/hr.
- July 10: Drilled 7855' to 8024' (169'). Survey at 7935' was 3 3/4° so had to reduce weight on bit back to 12,000#. Pump pressure is at 1625# at 65 SPM. Made rd-trip at 7855' for new bit. Bit #11 (Security S86F) made 1470' (6385' to 7855') in 143½ hrs. Drilled at an avg. rate of 10 ft/hr. Drilled salt from 7896' to 7985'; then clastics to 7998' and then salt.
- July 11: Drilled 8024' to 8100' (76'). Hit top of Cane Creek section at 8058' (Est. about 123' high to #1-15 well). Drilled to 8080' and well started to blow in. Blew in about 30 ft. above rotary table. Shut rams after picking up kelly 15 ft. Circulated well thru gas buster at 40 SPM. (Had 100# pressure on std pipe without circulating. Lit flare off gas buster bleed-off line - (big flare - 20 ft). Got well calmed down some after 3 hrs and then gradually circulated slowly for 7 hrs. and got gas worked out. Began drilling ahead to 8100'

with only 300# pump pressure. Circulated 2 hrs and brought mud visc. up to 45 in preparation to test. Started out of hole to pick up DST tools.

July 12: Came out of hole and picked up test tool (Lynes). Went back to bottom with tool and ran DST #1 as follows: Tool open at 11:45 AM.

Interval: 8055' to 8100' (45')

Init. Open: 10 min

Init Shut-in: 1 hr

Final Flow: 1½ hrs.

Final Shut-in: 2 hrs.

Blow: Strong blow immediate. Gas to the surface in 5 min. (60# pressure on flow-tube in 15 min.) 25-ft. flare out 2" line from manifold. Pressure built up to 84# on ½" choke in 30 min on final blow, decreased to 77# in 1 hr, and to 67# in 1½ hr.

Rec.: 750' fluid (150' of highly gas and oil cut mud and 600' of free light gravity - lt. green oil (52 gravity at 78°).

Sample Chamber: 300# pressure; 5.8 cu. ft. of gas, 1000 cc muddy oil.

Pressures:

IHP = 5459#

FHP = 5455#

IFP = 293-289#

FFP = 262-324#

ISIP = 3322#

FSIP = 2553#

BHT = 142°

Laid down test tool and started back in hole with Bit #12. 15-81

July 13: Drilled 8100' to 8161' (61'). Made trip in hole after DST #1. Had to spend 2 ¾ hrs to circulate gas out of hole slowly before drilling ahead. Survey at 8112' was 3½°. Drlg in anhydrite and black shale at rate of 5 ft/hr. with 18,000# on bit at 60 RPM. Still in Cane Creek Section.

July 14: Drilled 8161' to 8313' (152'). Bottom of Cane Ck section was at 8190'. Had thin salt bed at 8190' to 8250'. Est top of Pinkerton Trail at 8250'. Samples contained dolomite black shale and anhydrite. Drlg at rate of 5 ft/hr in the Pinkerton Trail.

July 15: Drilled 8313' to 8407' (94'). Top of Molas formation at 8400'. Brown cherty limestone and green shale. Survey at 8373' was 2½°. Drlg with 20,000# on bit. Mud wt. is 10.6, visc. is 45, w.l. is 22.

July 16: Drilled 8407' to 8526' (119'). Top of Miss-Leadville at 8420'. Had some slight shows in brown and white xln to chalky lime-

stone w/some scattered fluorescence and slight odor. No good drilling breaks.

July 17: Drilled 8526' to 8550' (24'). Decided to test top of Miss. Could have fractures which could provide some porosity. Circulated hole for 2 hrs and came out to pick up test tools (Lynes). Out of hole at 1:00 P.M. Worked on drum clutch and serviced rig for 1½ hrs. Picked up test tools (4 drill collars in anchor) and went in hole. On bottom at 7:22 P.M. Ran DST #2 as follows:

Interval: 8400' to 8550' (150')

Init Open: 15 min.

Init Shut-in: 1 hr.

Final Flow: 1½ hr

Final Shut-in: 2½ hrs.

Blow: Weak initially increasing to 15" in water (½#) in 7 min. Continuous good blow (½ lb) thru-out final flow period. No gas to surface.

Rec.: 2225' of gas in drill pipe and 120 ft. of gas-cut drlg mud.

Sample Chamber: 75# pressure; 0.5 cu ft. of gas and 800 cc of drlg mud.

Pressures:

IHP = 5505#

FHP = 5488#

IFP = 67-67#

FFP = 67-67#

ISIP = 469#

FSIP = 878#

BHT = 146°

July 18: Drilled 8550' to 8615' (65'). Came out of hole with test tool and laid down tools. Went back in hole with Bit #13 (Security RR). Bit #12 (Reed FP53) made 694' (7856' to 8550') in 111 3/4 hrs. Drilled at an avg. rate of 6 ft/hr. Encountered no drlg breaks in limestone section and no obvious porosity.

July 19: Drilled 8615' to 8650' (35'). Had slight increase in drlg rate (6½ to 7'/hr) and some stain fractures, fluorescence and oil cut in samples. No good breaks or obvious porosity. Drilled to 8650' and decided to run DST and log hole. Circulated for 2 hrs and came out of hole and picked up test tools (lynex). Went in hole and ran DST #3 as follows:

Interval: 8550' to 8650' (100')

Init Open: 15 min

Init Shut-in: 1 hr

Final Open: 1 hr

Final Shut-in: 1½ hr

Blow: Very weak.

Rec: 10 ft of drlg mud.

Sample Chamber: 25# and small am't (800 CC) of drlg mud.

Pressures:

IHP = 5028#

FHP = 4927#

IFP = 92#

FFP = 92#

ISIP = 92#

FSIP = 92#

BHT = 147°

MEGADON ENTERPRISES  
SALT WASH #1-16A  
DRILLING HISTORY

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July 20: Drilled 8650' to 8700' (50'). Laid down test tool and loaded same out. Went back in hole with Bit #13. Encountered dolomite porosity (sucrosic dolomite) at 8657'. Had lots of black residual oil in pores and fractures but no fluorescence. Drilled to 8700' and circulated 2 hrs. and came out of hole for logging. Rigged up Schlumberger at 8:00 P.M. and began logging well.

July 21: Drilled 8700-8740' (40'). Logging tool (Dual-Laterolog) wouldn't work properly. Ran tool in hole twice and couldn't make it work. No other tool in area available. Density-CNL log indicated a possibility that well should be drilled deeper to penetrate the original gas-oil contact and be in oil zone. So since a delay in logging was probable, it was decided to drill the well deeper to 8820' and then log at no additional logging costs. Accordingly, went back in hole with Bit #13 and began drilling ahead at 7:00 P.M. Had lots of black oil residue in sucrosic dolomite. No fluorescence or odor.

Estimated Cost to Date: \$807,550.

July 22: Drilled 8740-8825' (85'). Drilled in sucrosic dolomite with lots of dead oil in pores. No fluorescence or cut. Had to re-log well, since the first logs were not good logs. Circulated for 2 hrs and came out to run logs. Began logging at 7:00 P.M. Ran Dual-Laterolog.

July 23: Ran Gamma-Density-CNL log and prepared Cyberlock log. Finished logging at 0600 A.M. Logs look good and bottom of hole 8670' to T.D. indicated good resistivity and porosity, so decided to run a DST. Picked up test tool (lynex) and ran DST #4 as follows:

Interval: 8665-8825' (160')

Init Open: 15 min

Final Shut-in: 1 hr

Final Open: 2½ hr

Final Shut-In: 3 hr.

Blow: Strong blow immediate. Pressure up to 16# in 15 min. Gas to surface in 28 min. On final flow on ¼" choke pressure and gas flow was:

5 min = 24½# = 54 MCF

15 min = 29½# = 65.5 MCF

30 min = 39# = 79.5 MCF

45 min = 48½# = 93.5 MCF

60 min = 57½# = 107 MCF

90 min = 70# = 118 MCF

120 min = 80# = 140 MCF

135 min = 80# = 140 MCF

Rec: 925' of fluid (400' of highly gas cut mud and 525' of gas and oil cut mud.) No free oil or water.

Sample Chamber: Leaked - Had about 3000# pressure; 30-50 cu ft of gas - No fluid.

MEGADON ENTERPRISES  
SALT WASH #1-16A  
DRILLING HISTORY

PAGE 10

Pressures:

IHP = 5078#	FHP = 5066#
IFP = 172-172#	FFP = 230-438#
ISIP = 3820#	FSIP = 3906#
BHT = 147°	

July 24: Laid down test tool. Went back in hole with drill string. Circulated for 3½ hrs to work gas and oil out of hole. Good oil show on top of mud. Began laying down drill pipe at 0830 AM. Finished laying down pipe and drill collars at 5:30 P.M. Rigged up to run casing.

July 25: Ran 217 jts (129 jts (4960') of 17.00# and 88 jts (3646') of 23#) casing, K-55 and N-80, and landed casing at 8806' K.B. Cemented casing with 400 sks of self stress cement w/37% salt. Plug down at 5 AM - July 25, 1981. Left cement set for 9 hrs (2 PM) and planned to set slips. Slips were wrong size; had to wait until Sunday morn for right size.

July 26: Set slips at 0830 A.M. and cut off casing. Began rigging down. Will start moving rig to Geyser Dome.

Total estimated cost of drilling to casing point is \$879,000.

July Time

Salt Wash #1-16A

SW. SE. Sec. 16-23S-17E. - Grand Co., Utah

Elev.: 4418 K.B.

1000

5 10

1100

1200

1300

1400

1500

1600

1700

1800

1900

2000

Red bent sh. & silt + gyp

Red bent sh. - wh any & id silt

Red lg bent ss, silt. & sh + any

Red & lt. gray calc. sh.  
lt. gray calc. sh + gray sh.

Wh to pk calc. sh.

+ some dk rd. sh.

PK, lt. gray, PK, & rd. calc. sh.

Rd. gray, gray, PK, & lt. gray calc. sh.

DK gray - rd. - wh - wh calc. sh + bent & gyp + sd

Wh any, dk id silt & sd & lt. gray calc. sh.

DK gray to dk calc. sh + gray ms.

DK rd. calc. sh.

GAN, gray, & PK calc. sh.

Rd. gray wh. & PK calc. sh.  
Gray ms. to lg. - congl. ss.

Rd silt & sh.  
DK calc. how silt - sh.

Scale change

RS

Rm

Casing

2000

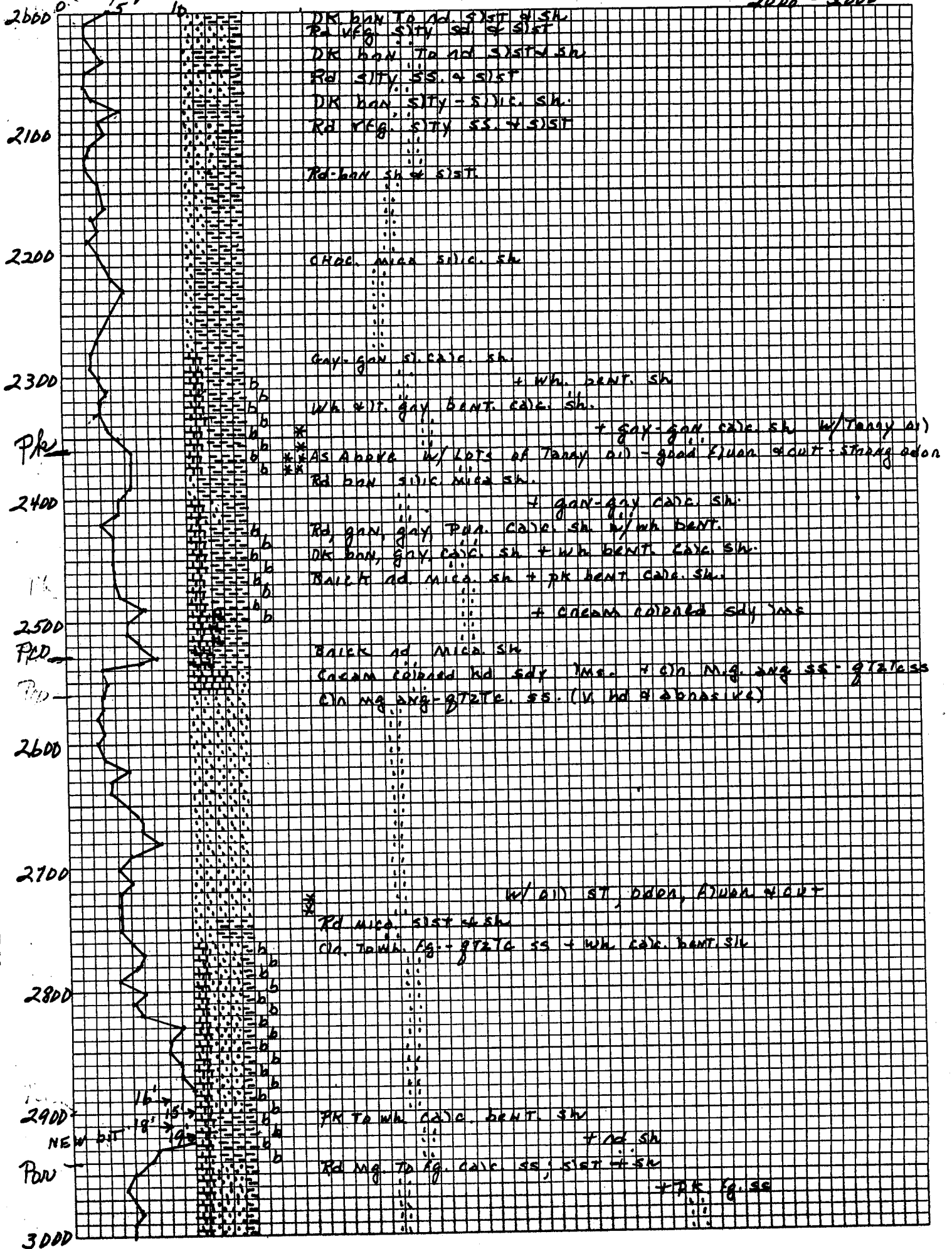
46 0862

KE  
5 X 5 10 1/2 INCH X 7 X 10 INCHES  
KEUFFEL & ESSER CO. MADE IN U.S.A.

# Salt Wash # 1-16A Bont

2000 - 3000'

Wing June  
Mid / ft.



46 0862

K&E  
5 X 5 TO 1 1/2 INCH • 7 X 10 INCHES  
KEUFFEL & ESSER CO. MADE IN U.S.A.

# Salt Wash #1-16A

3000' - 4000'

Handwritten: Time  
Main/ht

3000'

3100'

3200'

3300'

3400'

3500'

3600'

3700'

3800'

3900'

4000'

Rd. sist. sh. wh bent; PK. Veg. calc. ss.

Rd. mica. calc. sh. sist + PK ss

Rd. calc. sist + sh

Rd. sh + wh bent, calc. sh.

Rd. calc. mica. sist

Gny. cherty lms; ad. gan. calc. sh.

Gny. arg. lms

+ gny. mica. lms

LT. gny. xin lms

LT. bon. cherty lms

Rd. calc. sist + sh.

Rd. arg. calc. mg. to cong. ss.

wh. to lt. bon. cherty to mica. lms.

+ bon. + gny. mica. calc. sh.

LT. gny. to lt. bon. cherty lms.

wh. to lt. bon. cherty lms.

DK. bon. cherty lms

LT. bon. cherty to xin lms.

LT. gny. suc. lms.

LT. bon. cherty lms

+ LT. gny. suc. lms

Rd. calc. sist + lt. bon. cherty lms.

LT. gny. suc. to cherty lms

Rd. sist. (calc); blk + gny. calc. sh. + gny. cherty lms.

LT. bon. xin lms.

Rd. sist + gny. + blk sh - bon. lms - gny. sh.

DK. gny. + lt. bon. xin lms.

DK. gny. sd. lms + ch.

DK. gny. + bon. xin mica. lms.

46 0862

5 X 5 TO 1 1/2 INCH - 7 X 10 INCHES  
KEUFFEL & ESSER CO. MADE IN U.S.A.

K&E



# SALT WASH #1-124

4000-5000'

NEW 1/2" MADE 1/2" FR.

4000

NEW 1/2" MADE 1/2" FR.

4100

4200

4300

4400

4500

4600

4700

4800

4900

5000

DK gray to lt. gray, XIN TO CHALKY MICR IMS

DK. bnw + gray XIN CHTY IMS

BRK CANK. MICR. IMS.

DK gray + bnw MICR IMS

DK. gray DNS IMS.

+ LT. bnw XIN IMS.

Bnw + gray, CHTY IMS

DK gray MICR. IMS. w/lt

Gray DNS IMS

(MICR. + sdy) + Ch.

LT. bnw Dng IMS

+ gray MICR CANK. SH

+ DK gray-bnw. MICR SH

DK. gray ang IMS.

TO SHY MICR. IMS.

(1 RUN IN HOSE) ?

LT. gray SHY TO CHALKY MICR. IMS.

LT. bnw XIN IMS

Is Tan-Bx Sandstone wh-Tan Fg - Some BRK shale

Sandstone wh-gr silty - trace BRK shale

Limestone Tan-Med Bx. Sandstone wh Fg Limy

Sandstone wh-gr silty Limestone Tan-Med Bx Dng - Kngy

Limestone Tan-Med Bx Dng - Kngy - Sandstone wh-Fg Limy wh Chrt

Sandstone wh-Fg silty Limestone Med Bx shaly

Limestone Med Bx shaly

Sandstone wh-Fg silty Limestone Med Bx shaly chaly

+ Tan Bx shale

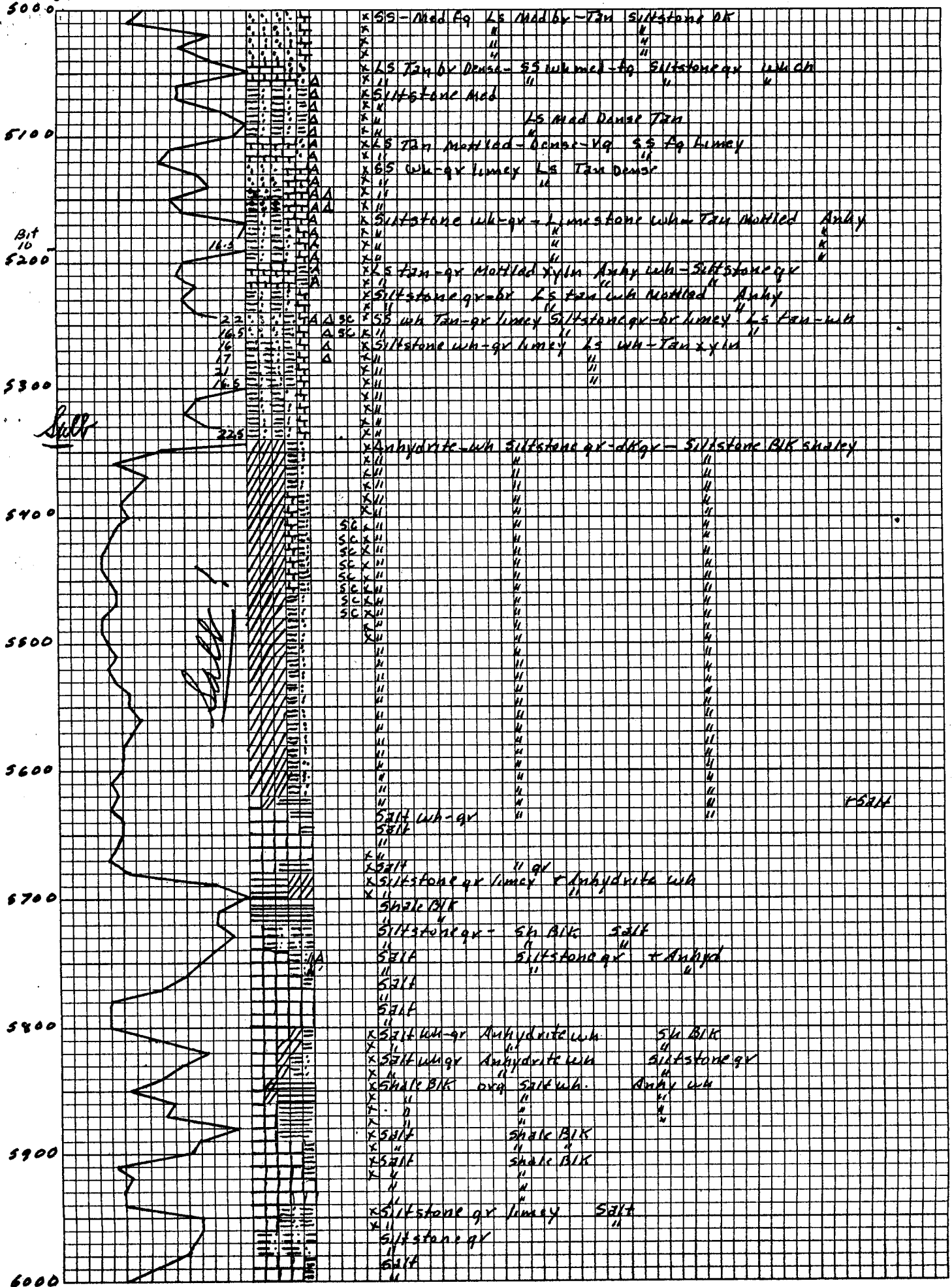
46 0862

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K&E

46 0862

K&E 5 X 5 TO 1 1/2 INCH • 7 X 10 INCHES  
KEUFFEL & ESSER CO. MADE IN U.S.A.



6000 0 Min/ft  
5

Bit  
11  
6400

6500

6640

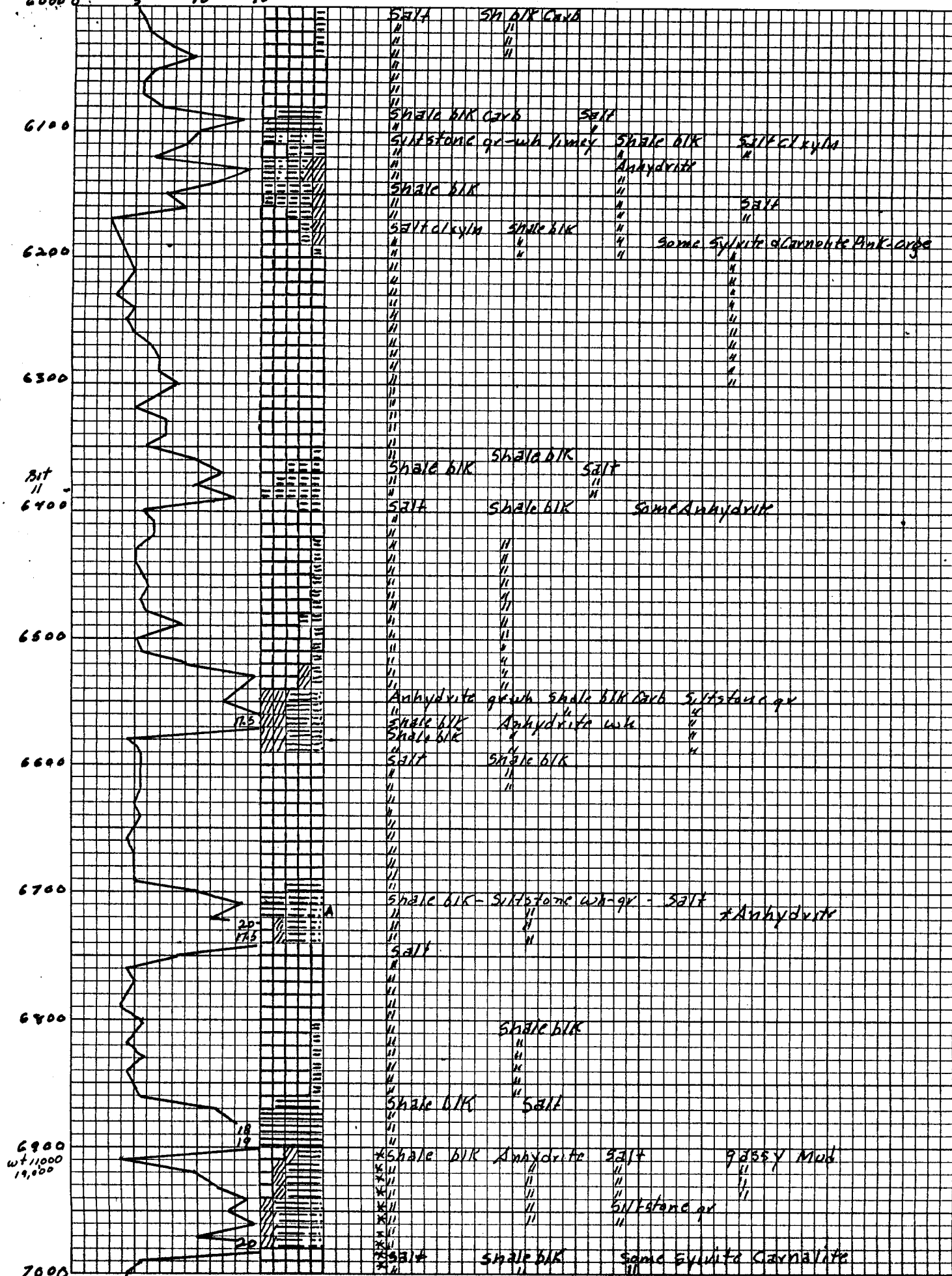
6700

6800

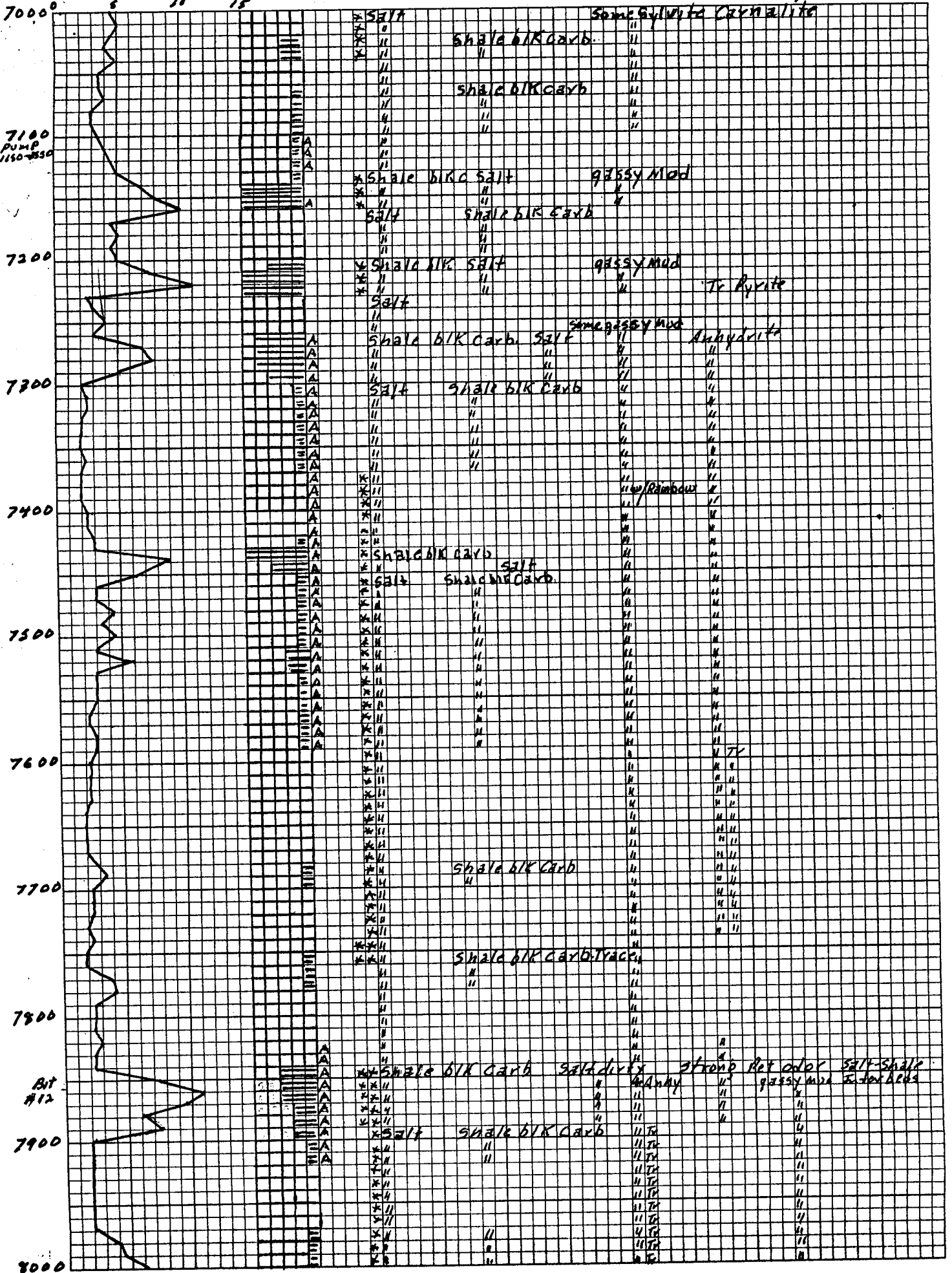
2900

7000

**K•E**  
5 X 5 TO 1/2 INCH • 7 X 10 INCHES  
KEUFFEL & ESSER CO. MADE IN U.S.A. •



Min / F+



46 0862

**K-E** 5 X 5 TO 1 1/2 INCH • 7 X 10 INCHES  
KEUFFEL & ESSER CO. MADE IN U.S.A. •

Changed  
wt down to

80000. <sup>1000</sup> 5 10 15 20

c.ch

8/00

9200

PpPT

2300

Miss

8700

8604

8600

8700

880

890

900.

5	2	5	5	5	

DS+WI - @TSW 5 MIN. (150' "AACE") + 150' HOBGA + 600' s'  
GIL (5M AT 780) 93220 \* S.P.

+ shale - salt stone layer

F <sub>11</sub>	H	H	H	H	1000' + 1100'
F <sub>11</sub>	H	H	H	H	1000' + 1100'
F <sub>11</sub>	H	H	H	H	1000' + 1100'
F <sub>11</sub>	H	H	H	H	1000' + 1100'

\* BIK TETAP. SA W/ GAS DARI + IT. BAN DINTY - MUDY ANLY.

Lt gay dms - ganula to xln anky + hlk patao sh.  
 \* DK gay fine ganula to vuggy anky w/ dms. Ban fluor.  
 \* DK gay to hlk dms dms + dms + some ganula dms anky.  
 Lt gay vfg - ganula. calc. anky.  
 DK. gay + ban dms dms + calc. anky.  
 Pune xln salt

Gay xim to sugary anky + dk gay do).  
+ blk sh

$Wk. XIN \text{ anky}; \text{ base gny dms do.} + \text{ gny gny dms anky}$   
 $\text{Base XIN dms} = \text{gny do.} + \text{sn, wk} + \text{gny anky}$   
 $\text{Base XIN dms} = \text{gny do.} + \text{sn, wk} + \text{gny anky}$

BAN & gny XIN MAS @ DAI + WH. XIN ANKY → W/DI ST.  
DK gay ANS CAVATA XIN Dai & gay = WH. DNS-XIN ANKY.  
AS above + gay - BAN MAS

\* SAME BIK RIDER RLY IN MOUNTAIN PASS w/ 101 w/ 101 RIDER  
 W/ 101 RLY PAS W/ 101 SCAT FLUENT CUT

- \* CHALKY INS W/ SCAT FLUOR, + good add
- \* LT. brown CRT, + Wn chalky ins - sl. stain
- \* Wn chalky ins w/ scat fluor, ST & CUT. - brown on ST

DST #2 Rec w/ some rug & upriso  
3225' gas in  
d.p. + 120' of mud. SIP = 828# / 4' + 600 CHTY DMS.

Wh (ha)ky me. W/ ST. an ST. + SCAT. FINAN  
DST #3: REC



\* 10' OF MUD  
\* NO GAS AT  
\* QIL. (SIP = 92)  
\*  
\* MIS  
\*  
\* IT WAS YAN TO CHU WU SAME DESID BUT ALL ON FND

- \* AS ABOVE + SOME OK BAN DO
- \* OK BAN SUC DO W/ HATS OF BIK RESID ON - NEG 100
- \* W/ W/MS + BAN SUC DO W/ BIK RESID ON

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	5
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\* LOTS OF BIK RESID ON IN SUR JOI.

T.D. = 8825

[illegible]

**46 0862**

**K\*E** 5 X 5 TO 1 1/2 INCH • 7 X 10 INCHES  
KEUFFEL & ESSER CO. MADE IN U.S.A. ®

COMPLETION WORK  
ON  
SALT WASH #1-16A WELL

- Aug. 13-14: Moved in completion rig (CRC Rig #30) and rigged up. Waited on tubing and well head equipment.
- Aug. 15: Crew arrived 0900 hrs. Unloaded 278 jts of 2 3/8" tubing. Installed well head and BOP. Began picking up tubing and going in hole with bit. Picked up 203 jts. Sent crew home at 1800 hrs.
- Aug. 16: Sunday - didn't work.
- Aug. 17: Crew arrived 0800 hrs. Picked up 74 more jts (277 in all) and tagged cement at 8803' K.B. Waited 1 hr. on power swivel. Rigged up power swivel and flow lines to mud pump and tank. Pressure tested head and BOP to 1000#. Began drilling out cement at 1330'. Drilled to 8809' and drilled out rubber plug. Circulated 45 minutes and came out of hole with bit. Out of hole at 1730 hrs. Rigged up Welex to run CBL log. Finished logging at 2200 hrs. Welex bottom at 8806'. Top of cement at 7410'. Good bond to 7410', with scattered bond to 7240'. Went in hole with gun and perforated 7113-15' with 4 shots. Came out of hole with gun (had to make second run with gun due to misfire). Finished at 2400 hrs.
- Aug. 18: Crew arrived 0800 hrs. Went in hole with packer and set packer at 6870' (245' above perfs). Began breaking circulation and started pumping in at 3750#. Broke back to 2500# and pumped at rate of 2 1/2 bbl/min. Pumped in 55 bbl salt water and had no returns on outside of casing. Must have bridge preventing circulation and are pumping in to formation. Decided to squeeze perfs at 7113'15'. Pumped in 40 sks of reg. cement w/18% salt and 1% CaCl. Displaced with 32 bbl salt water. Waited 45 min. and pumped against plug to 1500# and not holding, so shut valve to hold pressure over night. Sent crew home at 1800 hrs.
- Aug. 19: Crew arrived 0800 hrs. Released packer and came out of hole. Rigged up Welex to run CBL log on cement squeezed in yesterday. Found cement top inside casing at 7099' (14' above perfs). Had good bond and found cement top on outside casing at 6760'. Ran log to 5000' to check for any obvious bridges. Had one slight indication at 5200' but didn't appear to be solid or tight against the casing. Came out of hole with the log and went in with casing gun. Shot 4 holes (2/ft) in casing at 6610'. Rigged Welex down and went in hole with packer and tubing (100 stds and a single). Set packer at 6350' (260' above perfs). Sent crew home at 1800 hrs.
- Aug. 20: Crew arrived 0800 hrs. Rigged up Dowell. Pumped in salt water thru tubing and thru perfs at 6610'. Obtained circu-



lation to surface on outside of casing after 14 bbls. Initial pressure was 2500# and circulated at 1200#. Waited 2 hr. on water truck. Cemented casing with 300 sks of 35% Pozmix and 65% self-stress and 60 sks of reg. w/18% salt and 1% CaCl and 3/4% tic. Displaced with 28 bbl salt water. Had continuous circulation. Shut well in at 12:15 PM. Sent crew home at 12:30. Will wait till tomorrow morning to drill out cement. Estimated cost to date is \$65,400.

- Aug. 21: Crew arrived at 0800 hrs. Released packer and started out of hole. Pulled 22 stds and packer stuck. Tried to pull and jar it loose without success. Circulated for 2 hrs. and then worked it loose. Came out of hole with packer. Out of hole at 1500 hrs. Found packer had lost on slip die. (Must have fallen off at top of hole.) Decided to go in with old bit and casing scraper. Encountered rough spot in casing at 4980' (78 stds and sgl). Smoothed it out with casing scraper. Tagged cement top at 6470'. Drilled cement to 6510' and shut down for night. Sent crew home at 1930 hrs. Approximate cost, including production string and cementing, to date is \$205,400.
- Aug. 22: Crew arrived at 0800 hrs. Continued drlg out the cement. Drilled 35 feet, down to 6545' and bit quit drilling - probably due to packer die beneath bit. Came out of hole to check bit and found it okey. No excessive wear and no broken teeth. Called for a mill and finger basket to run in to fish out die. Waited 2½ hrs after out of hole and tools hadn't arrived so sent crew home at 1830 hrs. Will run basket Monday morning.
- Aug. 23: Sunday - didn't work.
- Aug. 24: Crew arrived 0800 hrs. Went in hole with finger basket and topped cement at approx. 6545'. Cut 6" core with basket and came out of hole. Recovered packer die on top of core. Went back in hole with bit. Topped cement at 6546' and had to wait for brine water. Waited 2½ hrs. Sent crew home at 1800 hrs.
- Aug. 25: Drilling out cement. Accumulative Cost to date \$214,800.
- Aug. 26: Crew arrived at 0800 hrs. Con't drilling cement. Drilled out cement from 7099' to 7700'. Observed circulation to surface about 15 feet in front of rig. Stopped drilling and shut casing valve and came up hole to find leak in casing. Ran CBL log to find top of last cement job. Top at approx. 5435'. Good bond most of way from 6610' (Cement perfs at 6610'). Made two runs with CBL tool - first run tool didn't work. Finished at 2030 hrs. Sent crew home at 1800 hrs.
- Aug. 27: Crew arrived 0800 hrs. Picked up packer and went in casing

to find hole. Set packer at 6300' and pressure tested to 2000# - No leaks. Reset packer at 5500' approx - pressure tested - no leaks. Reset at 4996' approx. and pressure tested. Got circulation to surface. Hole in casing at 5028' approximately where packer die had cut the casing. Reset packer at 4750'. Called National Cementers for cement and trucks. Waited till 4:30 PM for cement. Cemented hole at 5028' with 100 sks reg. cement with 2% CaCl. Squeezed cement after 1 hr setting time. Closed valves at 2000 hrs. and sent crew home. Will cement down surface in the morning.

- Aug. 28: Crew arrived at 0800 hrs. Cemented annulus between surface casing and production casing with 200 sks cement w/2% CaCl. Got cement to surface 15 ft. in front of rig after 150 sks cement. Pumped in rest of cement. Drilled out cement plug from 4990' to 5029'. Pressure tested to 1500# and had no leaks. Went on in hole to about 7700', ready to drill out rest of cement in the morning.
- Aug. 29: Crew arrived 0800 hrs. Drilled out cement to 8806' and circulated for 2 hrs. Started out of hole at 1730 hrs. Shut down at 1900 hrs and sent crew home. Will perforate Monday morning. Accumulative cost to date is \$229,750.
- Aug. 30: Sunday - didn't work.
- Aug. 31: Crew arrived at 0815 hrs. Finished coming out of hole - wet string. Out of hole at 1130 hrs. Rigged up Welex and perforated interval 8770' to 8800' with 1 sh/ft. Started in hole with tubing at 1500 hrs (joint of tubing on bottom, then a Baker Model AD-1 production packer, then a seating nipple). Ran in 84 stds and packer stuck (5334') top of 23# casing. Circulated down casing and got packer loose, but stuck again 30 ft. higher. Ran out of water for circulating so shut down for night at 1800 hrs and sent crew home.
- Sept. 1: Crew arrived at 0800 hrs. Circulated casing and got packer free, but still couldn't pull more than 15 ft. so pulled 40,000# over and sheared shear ring and came out of hole. Found that packer thimbles were 4 5/8" OD and wouldn't go in the 4 1/2" ID - 23# casing. New packer thimbles had been turned down but were still 4 3/4" OD; so took thimbles off and went to Moab to have thimbles turned down to 4 7/16". Ran new packer and had no trouble getting down. Set packer at 8686'. Removed BOP and set tubing on doughnut with 15000# tension on packer. Installed head and valves. Sent crew home at 1800 hrs. Accumulative cost to date is \$244,450.
- Sept. 2: Crew arrived at 0800 hrs. Rigged up to swab tubing dry. Found rope socket and swivel in poor condition so had to order new set. Waited 2 1/2 hrs for socket and swivel. Began swabbing about noon. Swabbed fluid level down to about 5000'



below surface and then level started to rise. Checked casing annulus and found vacuum on annulus so packer must be leaking. Tried to pressure up on annulus and pressure bled off. Hydrostatic pressure in annulus apparently sheared shear pin on packer. Tried to reset packer several times without success, so came out of hole with packer. Out of hole at 2000 hrs. Ordered different packer for morning.

- Sept. 3: Crew arrived at 0800 hrs. Went in hole with Baker Model packer (Combination-Compression-Tension packer). Set packer at 8686' and put  $\frac{1}{2}$  wt. of tubing (16,000#) in compression on packer. Removed BOP and installed doughnut and head. Swabbed well down to about 8500'. Acidized well with 1000 gal 28% Hcl acid with 15,000 cu. ft. of N<sub>2</sub>. Put 1000# pressure on annulus. Pumped in acid at 3000# pressure at 2 bbl/min rate and gradually increased to 3 bbl/min rate at 3000#. Displaced with 40 bbl of salt water. Instant shut-in pressure was 1600#. Let acid set for 45 minutes and then flowed back on  $\frac{1}{4}$ " choke. Flowed back approx. 20 bbl in one hour. Shut well in at 1900 hrs and sent crew home.
- Sept. 4: Crew arrived at 0800 hrs. T.P. = 100#. Opened well, flowed salt and acid water till 10 AM. Flowed back approx. 10 bbl fluid with gas and N<sub>2</sub>. Began swabbing. Fluid level at 400 ft. below surface. Each swab run pulling gas, brine water and acid water and N<sub>2</sub>. Fluid level staying at about 2000 ft. below surface on runs after the 5th run. Well flows gas (2-10 ft. flare) between runs. Fluid is highly gas cut. Flares intermittently while making run, getting more gas but no sign of oil yet. Recovered an estimated 70 bbls of fluid (pumped in about 100 bbls with nitrogen and load water). Swabbed until 1730 hrs and shut well in. Sent crew home.
- Sept. 5: Crew arrived at 0800 hrs. T.P. = 400#. Opened well. Blew N<sub>2</sub> at first and then gas. Blew down in 10 min. Fluid level at about 1000' below surface. First run had approx. 1 bbl of light oil on top. Subsequent runs recover mostly gas cut saline water and some mud. Well flares gas (2-4' flare) continuously between run. Gaseous fluid level staying at about 2000' below surface. Est. total fluid recovered to date is approx. 100 bbl.; so the treatment fluid has been recovered. Well is making some water (saline). Shut well in at 1600 hrs and sent crew home.
- Sept. 6-7: Sunday and Labor day - didn't work.
- Sept. 8: Crew arrived at 0800 hrs. T.P. = 360#. Well blew down in 15 minutes - all gas. Had to resplice sand line. Finished splice at 100 hrs. and began swabbing. Fluid level at 1000'

below surface. First run had about 2 bbl oil on top. Fluid highly gas cut and slightly oil cut - rest salt water. Making 2 runs per hr. and pull about 4 bbl each time. Fluid level is going down gradually and oil content increasing. Oil content up to 1% at 1530 hrs. Swabbed approx. 40 bbl of fluid this day. Shut well in at 1800 hrs and sent crew home.

- Sept. 9: Crew arrived at 0800 hrs. T.P. = 310#. Had to change out sand line. Began swabbing at 1400 hrs. Fluid level at 800' below surface. First run was mostly all oil -  $3\frac{1}{2}$  bbls. Oil content increasing. Marked increase of oil content on 8th run. (Est. 5%) Fluid highly gas cut. 9th run recovered approx. 18 bbl fluid (5% oil); 10th run recovered  $19\frac{1}{2}$  bbl fluid (5% oil). Shut well in at 1800 hrs and sent crew home.
- Sept. 10: Crew arrived at 0800 hrs. T.P. = 225#. Fluid level at 1300' from surface. Made 10 swab runs. Swabbed out 165 bbls. Recovered 13 bbls of oil (black) (approx. 8% oil). Shut well in at 1600 hrs and sent crew home.
- Sept. 11: Crew arrived at 0830 hrs. T.P. = 275#. Fluid level at 2000' below surface. Made 10 runs. Recovered 165 bbls fluid (15.6 bbl oil and 150 bbl salt water). Lots of gas with salt water.
- Sept. 12: Crew arrived at 0800 hrs. T.P. = 360#. Well flowed some distillate (1 bbl) when opened. Fluid level at 1000'. Swabbed out 170 bbl fluid (10% oil) in 9 runs. Shut well in at 1800 hrs and sent crew home.
- Sept. 13: Sunday - didn't work.
- Sept. 14: Crew arrived at 0800 hrs. T.P. = 300#. Flowed well, gas and some spray of oil. Fluid level at 1400 ft. Made 9 swab runs. Recovered 181 bbls of fluid (11% oil). (20 bbl oil). Fluid highly gas cut and well flows gas between runs. Shut well in at 1800 hrs and sent crew home.
- Sept. 15: Crew arrived at 0800 hrs. T.P. = 310#. Opened well and flowed gas and oil ( $\frac{1}{2}$  bbl) for 10 minutes. Fluid level at 1000' below surface. Made 9 swab runs. Swabbed 221 bbls fluid. Est. 9-10% oil. Shut-in at 1800 hrs and sent crew home.
- Sept. 16: Crew arrived at 0800 hrs. T.P. = 380#. Flowed good oil and gas for 10 min. Fluid level at 1000' below surface. Made 9 runs and swabbed 235 bbls of fluid. Oil appears to be increasing. Est. 10% oil. Oil content definitely increases in the PM. while swabbing. Shut in at 1800 hrs and sent crew home.

MEGADON ENTERPRISES INC.  
COMPLETION HISTORY  
SALT WASH #1-16A WELL

PAGE 6

- Sept. 17: Crew arrived at 0800 hrs. T.P. = 385#. Opened well; flowed gas and oil for 10 min. Fluid level at 1000' below surface. Made 10 runs. Swabbed out 230 bbls fluid - approx. 5% oil. Well makes gas continuously. Shut well in at 1600 hrs. Sent crew home. Drained flat tank. Had 28½ bbl oil in tank. Swabbed 7 days and recovered a total of 1357 bbl of fluid - 2% oil. Recommend setting bridge plug above present perfs and complete in zones above.
- Sept. 18: Crew arrived at 0830 hrs. T.P. = 385#. Opened well - flowed gas with spray of distillate. Fluid level at 1000' below surface. Made 5 runs - swabbed 100 bbl fluid - 2% oil. Rigged swab down. Removed tubing head and installed BOP. Unseated packer at 8686' and came out of hole. Packer had one rubber missing so sent it into Grd. Jct. for redressing. Sent crew home at 1600 hrs. and shut well in.
- Sept. 19: Crew and Welex arrived at 0800 hrs. Rigged up Welex and went in hole with easy drill, cast iron bridge plug and set at 8765'. Came out and went in with Gun #1 and perforated from 8730' to 8750' with one shot per ft. (Misfired when shooting from 8720-30'.) Gun #2 perforated 8715' to 8720' with one shot/ft and misfired on 8720-30'. Gun #3 perforated 8720-30' with one shot/ft. Gun #4 perforated 8670-90' with one shot/ft. Finished perforating at 1535 hrs. Rigged Welex down. Went in hole with packer (one jt of tbg on bottom, then packer, then seating nipple) and 135 stds and 1 single (271 jts) of tubing and set packer at 8590' (8600' K.B.). Sent crew home at 1930 hrs.
- Sept. 20: Sunday - crew didn't work.
- Sept. 21: Crew arrived at 0800 hrs. Rigged down BOP and installed tubing head and master valve. Began swabbing - fluid level at 2000' below surface. Gas began to flow continuously after 8th run. Made 15 runs and swabbed out 83 bbl fluid (mud and salt water - highly gas cut). Shut well in at 1600 hrs and sent crew home.
- Sept. 22: Crew arrived at 0800 hrs. T.P. = 1180#. Opened well. Blew down in 30 min. Fluid level at 2200' below surface. Made 12 runs. Swabbed out 80 bbls fluid (all water). Well blows gas continuously. Shut well in at 1600 hrs.
- Sept. 23: Crew arrived at 0800 hrs. T.P. = 1275#. Opened well. Blew gas down in 30 min. Fluid level at 2500' below surface. Made 9 runs and swabbed 72 bbls of fluid (all salt water). Sent crew home at 1600 hrs and shut well in.
- Sept. 24: Crew arrived at 0800 hrs. T.P. = 1300#. Flared gas for 20

MEGADON ENTERPRISES INC.  
COMPLETION HISTORY  
SALT WASH #1-16A WELL

PAGE 7

minutes and made 2 swab runs. Fluid level at 2500' below surface. First run had small amount of thick green oil. Rigged up Western to acidize well. Pressured up annulus to 1000#. Pumped in 1500 gal of 20% Hcl acid. Pumped 16 bbl acid and then started dropping 4 ball sealers per bbl. for 19 bbls (76 balls). Pumped in initially at 2500# at 3 bbl to 3½ bbl per min. rate. Pressure dropped to 2000# after 8 min. Slight increase in pressure at end of treatment due to ball sealers opening up new perfs. Instant shut in was 600# and dropped to 300# in 15 min. Kept well shut-in for 1 hr and then opened valve. Well flowed load water briefly. Rigged up to swab and made 1½ runs and well kicked off flowing. Flowed 2" stream clear across reserve pit. Estimate most of load water and acid water recovered in 1½ hrs of flowing. Shut well in at 1600 hrs and sent crew home.

Sept 25: Crew arrived at 0800 hrs. T.P. = 2700#. Opened well, flowed gas and green oil initially (est. 3 bbl oil on top). Installed choke valve and opened well on 12/64" choke. Well flowing steady stream of gas and spray of salt water. Tubing pressure holding at 1400#. Shut well in at 1500 hrs.

Sept. 26: Crew arrived at 0800 hrs. T.P. = 2500#. Opened well on ¼" Choke. Flowed gas for 1 hr. (flaring intermittently) and then oil (green condensate) for 5 min., then steady 1" stream of salt water with gas. Estimate 20 bbl fluid per hr. T.P. holding at 1300#. Rigged down rig. Shut well in and released rig at 1500 hrs. Total Estimated Cost is: \$342,400.

Well was produced thru a 12/64" choke for another ten days and averaged 400 bbl of fluid per day (1% oil and 99% salt water) holding 1700# pressure on the tubing. Shut well in due to large amount of salt water. Plan to plug off lower perfs and perforate higher to improve oil-water ratio. This work will be accomplished as soon as a plan for disposal of the water is approved and installed.

*W. H. F.*

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS, AND MINING

## SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals.)

5. LEASE DESIGNATION AND SERIAL NO.

ML-33348

6. IF INDIAN, ALLOTTEE OR TRIBAL NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

STATE

9. WELL NO.

#1-16A

10. FIELD AND POOL, OR WILDCAT

SALT WASH

11. SEC., T., R., M., OR S.E. AND  
SUBSET OR AREASW. SE. SEC. 16-23S-17E.  
SLM.

12. COUNTY OR PARISH

GRAND

13. STATE

UTAH

1. OIL WELL ☒ GAS WELL ☐ OTHER

2. NAME OF OPERATOR

Megadon Energy Corporation

3. ADDRESS OF OPERATOR

Suite 20; 175 South West Temple; Salt Lake City

4. LOCATION OF WELL (Report location clearly and in accordance with well log requirements.  
See also space 17 below.)  
At surfaceSW. SE. SECTION 16-23S-17E, SLM.  
(800' fr. S-line and 1840' fr. E-line)

14. PERMIT NO.

43-019-30783

15. ELEVATIONS (Show whether dr. or prod. GAS & MINING  
4403' Grd; 4418' K.B.

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

## NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other)

FULL OR ALTER CASING

MULTIPLE COMPLETE

ABANDON\*

CHANGE PLANS

## SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

REPAIRING WELL

ALTERING CASING

ABANDONMENT\*

INFORMATION

(NOTE: Report results of multiple completion on Well  
Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Since there has been no decision made to cease water disposal into the Mississippian production zone thru the adjacent well, Pan Am Suniland State A-2, to the subject well, we are forced to attempt completion of the above subject well in the Cane Creek section at 8050' to 8200'. We plan to pull the tubing and packer out of the well, set a bridge plug at approximately 8300', perforate casing at intervals from 8050' to 8200', run tubing with anchor, and swab well in. It is anticipated that this work will take approximately 6 days to complete. A blowout preventor and tubing stripper head will be mounted on the casing before work begins. Your approval of this work is hereby requested.

We may have to give the well a stimulation treatment if the perforating and swabbing are not successful. This treatment would probably involve a small sand fracture treatment using oil as a base.

MICROFORM

219

18. I hereby certify that the foregoing is true and correct

SIGNED

(This space for Federal or State office use)

TITLE

PRESIDENT

DATE 6-28-89

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

APPROVED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING

DATE:

7-20-89

\*See Instructions on Reverse Side

S.W. ENERGY CORPORATION  
847 EAST FOURTH SOUTH  
SALT LAKE CITY, UTAH 84102  
TELEPHONE (801) 532-6664

RECEIVED

JUN 24 1991

24 June 1991

DIVISION OF  
OIL GAS & MINING

Utah Division of Oil, Gas and Mining  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

Re: Lease ML-45209

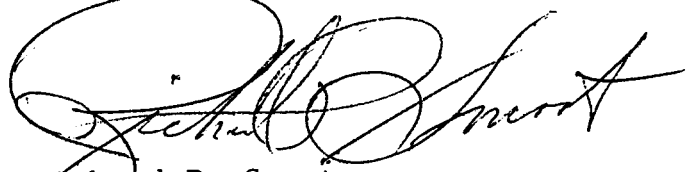
Gentlemen:

This letter is for the purpose of bringing to your attention that it is my understanding that the designation of "Operator" becomes the right of the lessee of record in the lands and wells described within the above-captioned lease. This should also give notice that the designation of "Operator" supersedes all prior designations of operator with respect to the above described lands within the above captioned lease.

Could you please make this letter a part of the lease file.

Sincerely,

S. W. ENERGY CORPORATION



Richard P. Smoot

cc. Utah Division of State Lands and Forestry  
355 West North Temple  
3 Triad Center, Suite 400  
Salt Lake City, Utah 84180-1204

RPS:ED

NOTE TO FILE

June 25, 1991

Re: Lease ML-45209  
Operator Change - State 1-16A Well, API 43-019-30783,  
16-23S-17E, Grand County, Utah

From: Don Staley

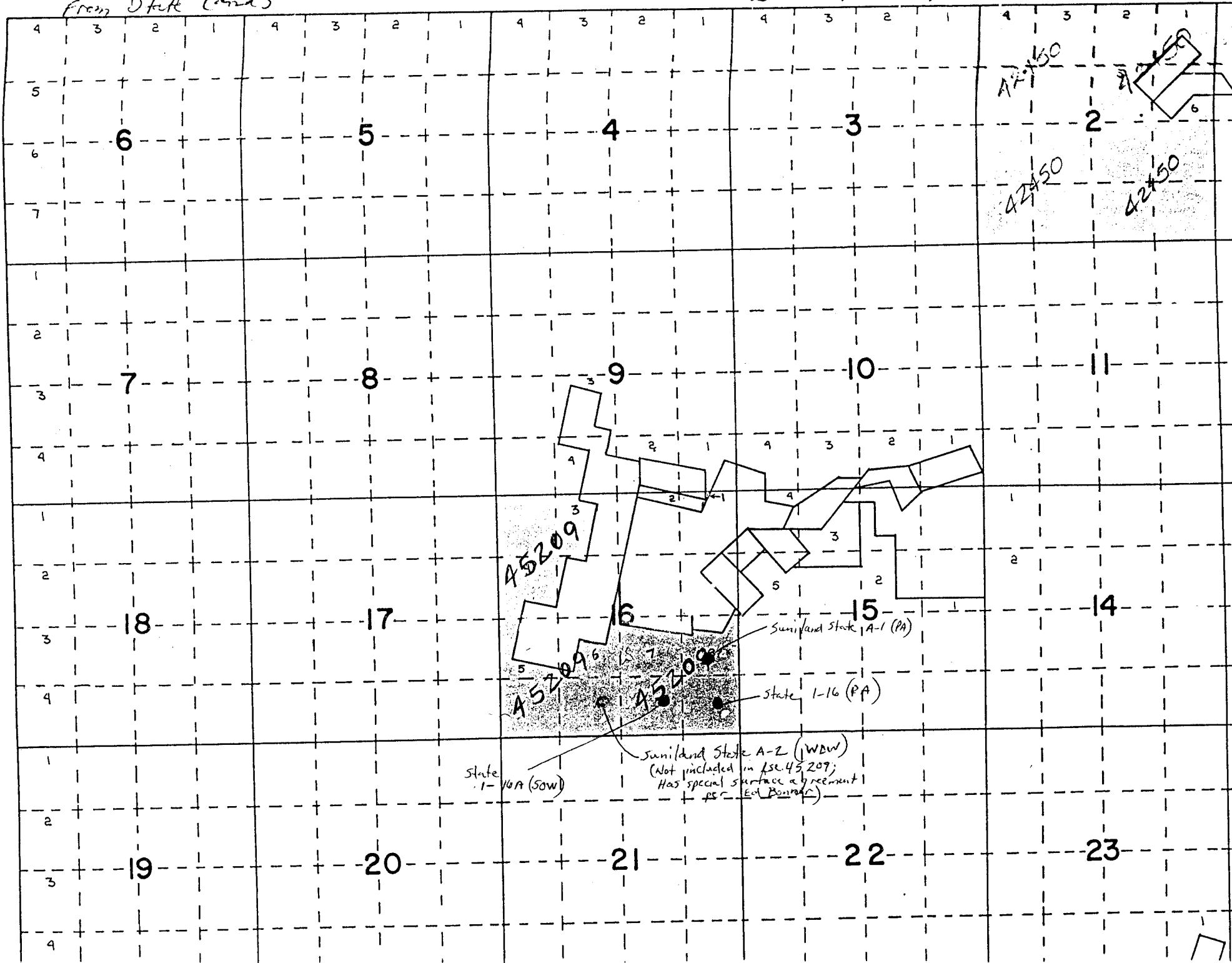
*(Effective 7-1-91 per St. Lands)*

Per Ed Bonner of State Lands, state lease ML-45209 was set up and assigned to S.W. Energy Corporation (Richard Smoot) after cancellation of the previous lease. The lease was previously held by Megadon Energy Corporation (Don Quigley) and cancelled due to non-payment. The only active (non-plugged) well in the lease is the State 1-16A (43-019-30783). The Suniland State A-2 water disposal well is located within the lease boundaries but is not part of the lease. Ed explained that it has its own special surface agreement. As State Lands feels comfortable with the arrangement, and the former operator's lease was cancelled, we will proceed with the operator change to S.W. Energy Corporation.

Attachments

DTS 6/25/91  
From State Lands

LSE. 45209







# Speed Letter.

To Ed Bonner  
State Lands

From Don Staley  
Oil, Gas and Mining

Subject Operator Change

MESSAGE

Date 7-3 19 91

Ed,  
*(And per our conversations)*  
 For your information, attached are copies of documents regarding an operator change on a state lease(s). These companies have complied with our requirements. Our records have been updated. Bonding should be reviewed by State Lands ASAP. *(I believe you said S.W. Energy is already bonded didn't you)*

Former Operator: MEGADOM ENTERPRISES INC.

New Operator: S. W. ENERGY CORP.

Well:	API:	Entity:	S-T-R:
<u>STATE 1-16A</u>	<u>43-019-30783</u>	<u>02810</u>	<u>16-235-17E</u>

CC: Operator File

Signed Don Staley

REPLY

Date \_\_\_\_\_ 19 \_\_\_\_\_

Signed

Division of Oil, Gas and Mining  
OPERATOR CHANGE WORKSHEET

Routing:

1- ICR
2- DTS
3- VLC
4- RJF
5- RWM
6- LCR

Attach all documentation received by the division regarding this change.  
Initial each listed item when completed. Write N/A if item is not applicable.

Change of Operator (~~well sold~~)  
Designation of Operator

☐ Designation of Agent  
☐ Operator Name Change Only

The operator of the well(s) listed below has changed (EFFECTIVE DATE: 7-1-91)

(new operator) S. W. ENERGY CORPORATION  
(address) 847 E. 4TH S.  
SALT LAKE CITY, UT 84102  
RICHARD P. SMOOT  
phone (801) 532-6664  
account no. N 2860

FROM (former operator) MEGADON ENTERPRISES, INC.  
(address) 175 S. WEST TEMPLE, STE 20  
SALT LAKE CITY, UT 84101  
DON QUIGLEY  
phone (801) 359-3575  
account no. N0620

Well(s) (attach additional page if needed):

\*\*LEASE # CHG FROM ML-33348

Name: <u>STATE 1-16A/LDLL</u>	API: <u>43-019-30783</u>	Entity: <u>2810</u>	Sec <u>16</u> Twp <u>23S</u> Rng <u>17E</u>	Lease Type: <u>ML-45209</u>
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____

OPERATOR CHANGE DOCUMENTATION

1. (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (Attach to this form).
2. (Rule R615-8-10) Sundry or other legal documentation has been received from new operator (Attach to this form). *(Rec'd 6-24-91)*
3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is company registered with the state? (yes/no) \_\_\_\_ If yes, show company file number: \_\_\_\_\_.
4. (For Indian and Federal Wells ONLY) The BLM has been contacted regarding this change (attach Telephone Documentation Form to this report). Make note of BLM status in comments section of this form. Management review of Federal and Indian well operator changes should take place prior to completion of steps 5 through 9 below.
5. Changes have been entered in the Oil and Gas Information System (Wang/IBM) for each well listed above. *(7-2-91)*
6. Cardex file has been updated for each well listed above.
7. Well file labels have been updated for each well listed above.
8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission.
9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

## ENTITY REVIEW

1. (Rule R615-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) no (If entity assignments were changed, attach copies of Form 6, Entity Action Form).
2. State Lands and the Tax Commission have been notified through normal procedures of entity changes.

## BOND VERIFICATION (Fee wells only)

1. (Rule R615-3-1) The new operator of any fee lease well listed above has furnished a proper bond.
2. A copy of this form has been placed in the new and former operators' bond files.
3. The former operator has requested a release of liability from their bond (yes/no) \_\_\_\_\_. Today's date \_\_\_\_\_ 19\_\_\_\_. If yes, division response was made by letter dated \_\_\_\_\_ 19\_\_\_\_.

## LEASE INTEREST OWNER NOTIFICATION RESPONSIBILITY

1. (Rule R615-2-10) The former operator/lessee of any fee lease well listed above has been notified by letter dated \_\_\_\_\_ 19\_\_\_\_, of their responsibility to notify any person with an interest in such lease of the change of operator. Documentation of such notification has been requested.
2. Copies of documents have been sent to State Lands for changes involving State leases.   
 7-8-91

## MICROFILMING

1. All attachments to this form have been microfilmed. Date: July 8 1991.

## FILED

1. Copies of all attachments to this form have been filed in each well file.
2. The original of this form and the original attachments have been filed in the Operator Change file.

## REMARKS

910702 OTS/ST. Lands Bond coverage has been provided by S.W. Energy/R. Smoot, and ST. Lands is aware that operator is being changed.

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS, AND MINING

SUBMIT IN TRIPLICATE\*  
(See instructions on  
reverse side)

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals.)		5. LEASE DESIGNATION AND SERIAL NO. ML-45209
1. <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR S. W. ENERGY CORPORATION		7. UNIT AGREEMENT NAME
3. ADDRESS OF OPERATOR 847 East Fourth South, Salt Lake City, Utah 84102		8. FARM OR LEASE NAME State
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface  SW $\frac{1}{4}$ SE $\frac{1}{4}$ sec 16, T23S-R17E, SLM		9. WELL NO. #1-16A
14. PERMIT NO. 4301930783		10. FIELD AND POOL, OR WILDCAT Salt Wash
15. ELEVATIONS (Show whether OF, RT, GR, etc.) 4403 Grd      4418 K.B.		11. SEC., T., R., M., OR BLE. AND SURVEY OR AREA SW $\frac{1}{4}$ SE $\frac{1}{4}$ sec 16, 23S-17 SLM
12. COUNTY OR PARISH Grand		13. STATE Utah

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>
SHOOT OR ACIDIZE <input checked="" type="checkbox"/>	ABANDON* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
(Other) <input type="checkbox"/>	

SUBSEQUENT REPORT OF:

WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
(Other) <input type="checkbox"/>	

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

Set plug to shut off lower perforations in dolomite section. Stimulate and selectively test the interval within the top 75 feet of the Mississippian formation.

RECEIVED

JUL 10 1991

APPROVED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS AND MINING

DATE: 9/19/91  
BY: J. Matthews

18. I hereby certify that the foregoing is true and correct

SIGNED

TITLE Chairman

DATE

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS, AND MINING

SUBMIT TRIPLICATE\*  
(Other instructions on reverse side)

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals.)		5. LEASE DESIGNATION AND SERIAL NO. ML 33348
1. <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER Information		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR MEGADON ENERGY CORPORATION		7. UNIT AGREEMENT NAME
3. ADDRESS OF OPERATOR Suite 20; 175 South West Temple, Salt Lake City, Ut 84101		8. FARM OR LEASE NAME STATE
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface SW.SE. Section 16-23S-17E., SLM (800' fr. S-line and 1840' fr. E-line)		9. WELL NO. #1-16A
14. PERMIT NO.		10. FIELD AND POOL, OR WILDCAT Salt Wash
15. ELEVATIONS (Show whether DF, RT, OR, etc.) 4295' K.B. 4277' Grd.		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 16 23S-17E. SLM
		12. COUNTY OR PARISH Grand
		13. STATE Utah

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	FULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input checked="" type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input checked="" type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <input type="checkbox"/>	(Other) <input type="checkbox"/>

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

Due to the cancellation of Lease #ML 33348 prior to permitting the recovery of our equipment in the Salt Wash #1-16A well, we are now forced to remove the equipment. Consequently, we plan to salvage the equipment and plug and abandon the well in the following manner:

1. Plug #1: 50 sks cement across the perms in the Mississippian formation from 8600' to 8400'.
2. Cut off casing at 5350' above the top of the cement at 5400'.
3. Pull approximately 5350' of 5½" casing.
4. Place 50 sk cement plug 100' below the top of the cut off casing from 5500' to 5300'.
5. Place 25 sk cement plug at top of Coconino formation at 2600' to 2500'.
6. Place 25 sks cement plug at top of surface casing and install well marker.
7. Fold in pit and contour location.

This work should begin prior to the end of September.

18. I hereby certify that the foregoing is true and correct

SIGNED

*H. Conroy*

TITLE

*Pres.*

DATE August 23, 1991

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS, AND MINING

SUBMIT IN TRIPLICATE\*  
(Other instructions on  
reverse side)

**SUNDRY NOTICES AND REPORTS ON WELLS**

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals.)

AUG 28 1991

<b>1. OIL WELL</b> <input type="checkbox"/> <b>GAS WELL</b> <input checked="" type="checkbox"/> <b>OTHER</b> Information		<b>5. LEASE DESIGNATION AND SERIAL NO.</b> ML 33348
<b>2. NAME OF OPERATOR</b> MEGADON ENERGY CORPORATION		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME</b>
<b>3. ADDRESS OF OPERATOR</b> Suite 20; 175 South West Temple, Salt Lake City, Ut 84101		<b>7. UNIT AGREEMENT NAME</b>
<b>4. LOCATION OF WELL</b> (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface  SW.SE. Section 16-23S-17E., SLM (800' fr. S-line and 1840' fr. E-line)		<b>8. FARM OR LEASE NAME</b> STATE
<b>14. PERMIT NO.</b> 43-019-30783		<b>9. WELL NO.</b> #1-16A
<b>15. ELEVATIONS</b> (Show whether DF, RT, GR, etc.) 4295' K.B.      4277' Grd.		<b>10. FIELD AND POOL, OR WILDCAT</b> Salt Wash
<b>16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data</b>		<b>11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA</b> Sec. 16 23S-17E. SLM
<b>17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS</b> (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*		<b>12. COUNTY OR PARISH</b> <b>13. STATE</b> Grand      Utah

**NOTICE OF INTENTION TO:**

<b>TEST WATER SHUT-OFF</b> <input type="checkbox"/> <b>FRACTURE TREAT</b> <input type="checkbox"/> <b>SHOOT OR ACIDIZE</b> <input type="checkbox"/> <b>REPAIR WELL</b> <input type="checkbox"/> (Other) <input type="checkbox"/>	<b>PULL OR ALTER CASING</b> <input type="checkbox"/> <b>MULTIPLE COMPLETE</b> <input type="checkbox"/> <b>ABANDON*</b> <input checked="" type="checkbox"/> <b>CHANGE PLANS</b> <input type="checkbox"/>
--	--

**SUBSEQUENT REPORT OF:**

<b>WATER SHUT-OFF</b> <input type="checkbox"/> <b>FRACTURE TREATMENT</b> <input type="checkbox"/> <b>SHOOTING OR ACIDIZING</b> <input type="checkbox"/> (Other) <input type="checkbox"/>	<b>REPAIRING WELL</b> <input type="checkbox"/> <b>ALTERING CASING</b> <input type="checkbox"/> <b>ABANDONMENT*</b> <input checked="" type="checkbox"/>
---	--

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

**17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS** (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

Due to the cancellation of Lease #ML 33348 prior to permitting the recovery of our equipment in the Salt Wash #1-16A well, we are now forced to remove the equipment. Consequently, we plan to salvage the equipment and plug and abandon the well in the following manner:

1. Plug #1: 50 sks cement across the perms in the Mississippian formation from 8600' to 8400'.
2. Cut off casing at 5350' above the top of the cement at 5400'.
3. Pull approximately 5350' of 5½" casing.
4. Place 50 sk cement plug 100' below the top of the cut off casing from 5500' to 5300'.
5. Place 25 sk cement plug at top of Coconino formation at 2600' to 2500'.
6. Place 25 sks cement plug at top of surface casing and install well marker.
7. Fold in pit and contour location.

This work should begin prior to the end of September.

**18. I hereby certify that the foregoing is true and correct**

**SIGNED** *H. Don Gungley* **TITLE** *Pres.* **DATE** August 23, 1991

(This space for Federal or State office use)

**APPROVED BY** \_\_\_\_\_ **TITLE** \_\_\_\_\_ **DATE** \_\_\_\_\_  
**CONDITIONS OF APPROVAL, IF ANY:**

S.W. ENERGY CORPORATION  
847 EAST FOURTH SOUTH  
SALT LAKE CITY, UTAH 84102  
TELEPHONE (801) 532-6664

RECEIVED

NOV 26 1991

DIVISION OF  
OIL GAS & MINING

20 November 1991

Mr. Frank Matthews  
Petroleum Engineer  
Department of Natural Resources  
Division of Oil, Gas and Mining  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

435 17E #16  
43-019-30783


Dear Mr. Matthews:

In response to your letter dated November 13, 1991, I would like to report that the identification sign for State Oil and Gas Lease 1-16A in the Salt Wash Field has been ordered and should be on location within two weeks' time.

With reference to the request to reclaim the reserve pit, we would like permission to complete this during the month of either May or June of next year. We would appreciate it if you could indicate to what extent you wish the pit closed in because we will need a reasonable amount of space for the production of the existing well. If I receive no specific dimensions, I will reduce the pit to what I regard as a functioning and reasonable pit for production purposes. I hope this meets with your approval. If you would desire me to do something different, please notify me at the above address or by telephone.

Sincerely yours,

S. W. ENERGY CORPORATION

  
Richard P. Smoot

RPS:ED



9/1/93

8600' 2 3/8 8nd EUE 47# J-55 .80/ft on the ground = \$6880

4960' 5 1/2" 17# K-55 LTAC \$4.125/ft = \$20,460

340' 5 1/2 23 N-80 LTAC 4.50/ft. = \$1,530

5 1/2 CS -1 Retrieval skr = \$750

10 3/4 x 3000 psi Cag head = \$1,500

2 3/8 x 5000 Hg head = \$1,000

6 valves — \$150/each = \$900

Union collar miscel. —

— 0  
33,020.00

Less Rig + trucking

17,000

Information from  
American P & A Service, Inc.  
Corrobor, NM. 87048  
P. Armstrong.

Subtotal

16,020.00

~~STEWART & ASSOCIATES 303-352-8434 ALB~~

SLE INDUSTRIES INC 303-352-4955

JOE EVANS WHEELER COLORADO

TUBING USED & TESTED \$1.00 = \$4,600.00

5 1/2 H 80 94-500 2,000.00

K 55 14.00 14,400.00

CASING HEAD 350

TUBING HEAD 425

2" MASTER VALVE 350

2" ORBIT VALVE 200 x 2 400

2" BALL VALVE 60 EACH 120

2" CHOKE VALVE 190-200 200

---

\$26,845.00

RIG TIME & TRUCKING

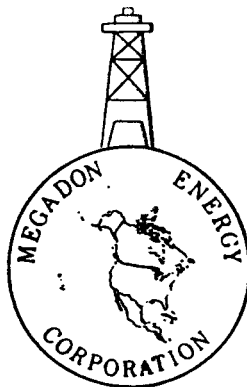
- 17,000.00

---

9,845.00

~~XXXXXXXXXXXXXXXXXXXX~~  
Salt Lake City, Utah 84101  
Bus. Tel: (801) 359-3575  
Res. Tel: (801) 295-1870  
Suite 20; 175 South West Temple

President: W. Don Quigley  
Vice President: Margaret Quigley  
Secretary: Sherrill L. Bateman



November 27, 1991

Division of Oil, Gas & Mining  
Dept. of Natural Resources  
355 West North Temple, #350  
3 Triad Center  
Salt Lake City, Ut 84180

Re: Compensation for Equipment on  
Salt Wash #1-16A Well  
Section 16-23S-17E.  
Grand County, Utah

Dear Sirs:

Reference is made to all of the hearings, reviews and complaints which have been filed and heard regarding the above subject well over the last eight years. All of these proceedings have resulted in a net zero of consideration for our position and effort, even though we have spent over \$1,500,000 on a well and legal maneuverings; and established oil production potential in two different horizons on the state lease (ML #33348). The final step in all of these proceedings was the confiscation of all of our equipment in the well by the State. To say the very least, we are entitled to compensation for this equipment.

It is obvious that the equipment in the well, as well as the information developed by the drilling of the well, has increased the value of the lease considerably. The State, as well as subsequent lessees, will benefit accordingly. We, therefore, are submitting the attached invoice for compensation of the equipment in the well (which could be salvaged).

Sincerely yours,

*W. Don Quigley*  
W. Don Quigley  
President

Enclosure

WDQ/sb

Invoice #: 11271  
Date: 11/27/91

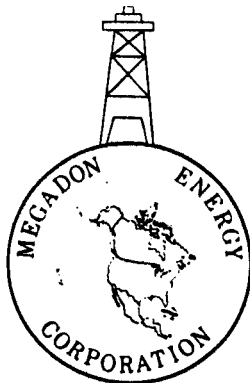
From: Megadon Energy Corporation  
Suite 20  
175 South West Temple  
Salt Lake City, Utah 84101

To: Division of Oil, Gas & Mining  
Dept. of Natural Resources  
State of Utah

Amount	Item	Salvage Value
8600'	Tubing, 2 3/8", J-55, upset at \$3.50/ft.	\$30,100.00
5300'	Casing, 5 1/2", 23#, N-80, LTC at \$12.00/ft. <i>copy 17# K-554960 23# N-80-3646'</i>	\$63,600.00
1	Production Packer (5 1/2", CS-1 Retrievable)	3,500.00
1	Casing Head, 3000#, Series 600, 10 3/4", Rector	2,500.00
1	Tubing Head, 5000#, flanged, Series 600, with dough-nut (2 3/8" to 2")	1,500.00
1	Master Valve (5000#) 2"	950.00
2	Orbit Valves, 2", 5000#	500.00
2	Ball Valves, 2", 5000#	150.00
1	Choke Valve, 2", 5000#	180.00
	Miscellaneous nipples, union, collars, etc.	70.00
	Total Salvage Value	\$103,050.00
	Salvage Rig (5 Days at \$2500/day)	-12,500.00
	Trucking	-4,500.00
	Balance Due:	\$86,050.00

Thank you!

~~Suite 400, 175 West South Temple~~  
Salt Lake City, Utah 84101  
Bus. Tel: (801) 359-3575  
Res. Tel: (801) 295-1870  
Suite 20; 175 South West Temple



President: W. Don Quigley  
Vice President: Margaret Quigley  
Secretary: Sherrill L. Bateman

January 29, 1992

RECEIVED

JAN 30 1992

Division of State Lands & Forestry  
Richard J. Mitchell, Director  
3 Triad Center, Suite 400  
355 West North Temple  
Salt Lake City, Utah 84180-1204

DIVISION OF  
OIL GAS & MINING

43-019-30783  
Salt Wash 1-16A  
Sec. 16, T23S, R17E

Re: Invoice for Confiscated Equipment

Dear Sir:

Our letter of November 27, 1991 addressed the problem of reimbursement for the confiscated equipment on the Salt Wash #1-16A well (Section 16, Township 23 South, Range 17 East, Grand County, Utah) and included an invoice for such. It has been over eight weeks (60 days) since the date of this letter and we have had no reply except indication that Mr. Ron Firth had transmitted the letter to Mr. Mitchell of the State Land Board. We request action on this matter immediately, otherwise, we will be forced to take legal steps to collect.

Sincerely yours,

*W. Don Quigley*  
W. Don Quigley  
President

cc: Division of Oil, Gas & Mining

WDQ/sb

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Lease Designation and Serial Number  
ML-45209

7. Indian Allottee or Tribe Name

8. Unit or Communitization Agreement

# SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.  
Use APPLICATION FOR PERMIT— for such proposals

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other (specify)

9. Well Name and Number

State 1-16A

2. Name of Operator

S. W. ENERGY CORPORATION

10. API Well Number

4301930783

3. Address of Operator

847 E 400 S, Salt Lake City, Utah 84102

4. Telephone Number

(801)532-6664

11. Field and Pool, or Wildcat

Salt Wash

5. Location of Well

Footage :  
QQ, Sec, T., R., M. : SW $\frac{1}{4}$ SE $\frac{1}{4}$  sec 16, T23S, R17E, SLM

County : Grand

State : UTAH

## 12. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

### NOTICE OF INTENT (Submit in Duplicate)

- |  |   |
|--|---|
| <input type="checkbox"/> Abandonment             | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Casing Repair           | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans         | <input type="checkbox"/> Recompletion         |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Shoot or Acidize     |
| <input type="checkbox"/> Fracture Treat          | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Multiple Completion     | <input type="checkbox"/> Water Shut-Off       |
| <input type="checkbox"/> Other _____             |   |

Approximate Date Work Will Start \_\_\_\_\_

### SUBSEQUENT REPORT (Submit Original Form Only)

- |  |   |
|--|---|
| <input type="checkbox"/> Abandonment *           | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Casing Repair           | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans         | <input type="checkbox"/> Shoot or Acidize     |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Fracture Treat          | <input type="checkbox"/> Water Shut-Off       |
| <input type="checkbox"/> Other _____             |   |

Date of Work Completion \_\_\_\_\_

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.

\* Must be accompanied by a cement verification report.

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

## ANNUAL STATUS REPORT

Newly acquired lease. Future workover is expected within the next sixty days.

RECEIVED

FEB 13 1992

DIVISION OF  
OIL GAS & MINING

14. I hereby certify that the foregoing is true and correct

Name & Signature

(Sign Use Only)

Title Chairman

Date 12 Feb 1992

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

6. Lease Designation and Serial Number

ML-45209

7. Indian Allottee or Tribe Name

8. Unit or Communitization Agreement

# SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.  
Use APPLICATION FOR PERMIT— for such proposals.

1. Type of Well

☒ Oil Well    ☐ Gas Well    ☐ Other (specify)

9. Well Name and Number

#1-16A

2. Name of Operator

S. W. ENERGY CORPORATION

10. API Well Number

4301930783

3. Address of Operator

847 E 400 S, Salt Lake City, Utah 84102

4. Telephone Number

(801)532-6664

11. Field and Pool, or Wildcat

Salt Wash

5. Location of Well

Footage :  
QQ, Sec. T., R., M. : SW $\frac{1}{4}$ SE $\frac{1}{4}$  Sec 16, T23S, R17E, SLM

County : Grand

State : UTAH

## 12. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

### NOTICE OF INTENT (Submit in Duplicate)

- |  |   |
|--|---|
| <input type="checkbox"/> Abandonment             | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Casing Repair           | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans         | <input type="checkbox"/> Recompletion         |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Shoot or Acidize     |
| <input type="checkbox"/> Fracture Treat          | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Multiple Completion     | <input type="checkbox"/> Water Shut-Off       |
| <input type="checkbox"/> Other _____             |   |

Approximate Date Work Will Start \_\_\_\_\_

### SUBSEQUENT REPORT (Submit Original Form Only)

- |  |   |
|--|---|
| <input type="checkbox"/> Abandonment *           | <input type="checkbox"/> New Construction     |
| <input type="checkbox"/> Casing Repair           | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans         | <input type="checkbox"/> Shoot or Acidize     |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Vent or Flare        |
| <input type="checkbox"/> Fracture Treat          | <input type="checkbox"/> Water Shut-Off       |
| <input type="checkbox"/> Other _____             |   |

Date of Work Completion \_\_\_\_\_

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.

\* Must be accompanied by a cement verification report.

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

## ANNUAL STATUS REPORT

Shut in. Workover is planned during 1993.

RECEIVED

FEB 10 1993

DIVISION OF

OIL, GAS AND MINING

14. I hereby certify that the foregoing is true and correct

Name &amp; Signature

Title ChairmanDate 8 Feb 1993

(State Use Only)



State of Utah

Department of  
Natural Resources

Division of  
Oil, Gas & Mining

ROBERT L. MORGAN  
*Executive Director*

LOWELL P. BRAXTON  
*Division Director*

MICHAEL O. LEAVITT  
*Governor*

OLENE S. WALKER  
*Lieutenant Governor*

March 19, 2004

CERTIFIED MAIL NO. 7002 0510 0003 8602 6501

Richard Smoot  
S.W. Energy Corporation  
899 Island Drive, No. 205  
Rancho Mirage, CA 92270-3143

Re: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases.

Dear Mr. Smoot:

S.W. Energy Corporation, as of March 2004, has two (2) State Lease Wells (see attachment A) that are currently in non-compliance for extended shut-in or temporary abandonment status. Wells SI/TA beyond twelve (12) consecutive months requires filing a Sundry Notice (R649-3-36-1). Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3). For extended SI/TA consideration the operator shall provide the Utah Division of Oil, Gas & Mining with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).



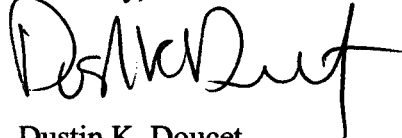
Page 2  
Richard Smoot  
March 19, 2004

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet  
Petroleum Engineer

jc  
cc: John Baza  
Well File  
SITLA

	<b>Well Name</b>	<b>API</b>	<b>Lease Type</b>	<b>Years Inactive</b>
1	Suniland State A-2	43-019-10833	State	8 Years 2 Months
2	State 1-16A	43-019-30783	State	6 Years 4 Months

Attachment A



State of Utah

Department of  
Natural Resources

Division of  
Oil, Gas & Mining

ROBERT L. MORGAN  
*Executive Director*

LOWELL P. BRAXTON  
*Division Director*

MICHAEL O. LEAVITT  
*Governor*

OLENE S. WALKER  
*Lieutenant Governor*

April 12, 2004

CERTIFIED MAIL NO. 7002 0510 0003 8602 6327

Richard Smoot  
847 East 400 South  
Salt Lake City, Utah 84102

Re: Extended Shut-in and Temporary Abandoned Well Requirements for Fee  
or State Leases.

Dear Mr. Smoot:

In response to our discussions on March 31, 2004 I am enclosing several Form 9 Sundry Notices for your use. In our discussions you had stated that two of the wells would be plugged and abandoned (the CF&I 22-16 well and the CF&I 42-16 well) and the other two SW Energy wells (the Suniland State A-2 well and the State 1-16A well) would be reworked and either put into production or plugged and abandoned in 2004. Please fill out a sundry notice describing your plan for each well.

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,

Dustin K. Doucet  
Petroleum Engineer

cc: John Baza  
Well File

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☐ OTHER Water injection

2. NAME OF OPERATOR:  
S. W. Energy Corporation

3. ADDRESS OF OPERATOR: 847 E 4th S CITY Salt Lake STATE UT ZIP 84102 PHONE NUMBER: 532-6664

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

5. LEASE DESIGNATION AND SERIAL NUMBER:

ML-45209

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

State 1-16A

9. API NUMBER: 30783  
4301930207

10. FIELD AND POOL, OR WILDCAT:

COUNTY: Grand

STATE:

UTAH

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:  
NESW 16 23S 17E SLM

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>SI/TA extension</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

This well is an injection well for the Salt Wash Field and is either injecting or shut-in, depending on field conditions.

COPY SENT TO OPERATOR  
Date: 5-12-04  
Initials: CMO

NAME (PLEASE PRINT) Richard P. Smoot

TITLE Chairman

SIGNATURE

DATE 19 April 2004

(This space for State use only)

RECEIVED

THIS SUNDRY IS BEING RETURNED; INSUFFICIENT DATA WAS SUBMITTED TO APPROVE THE REQUESTED ACTION (see attached letter dated May 1, 2004).

APR 26 2004

(5/2000)

(See Instructions on Reverse Side)

Utah Division of Oil, Gas and Mining

DIV. OF OIL, GAS & MINING  
May 10, 2004



State of Utah

Department of  
Natural Resources

Division of  
Oil, Gas & Mining

ROBERT L. MORGAN  
*Executive Director*

LOWELL P. BRAXTON  
*Division Director*

May 10, 2004

CERTIFIED MAIL NO. 7002 0510 0003 8602 5092

Mr. Richard Smoot  
847 East 400 South  
Salt Lake City, Utah 84012

Re: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases dated April 12, 2004.

Dear Mr. Smoot,

The Division of Oil, Gas and Mining (DOGM) is in receipt of your four (4) sundries dated April 19, 2004 (received by the Division on 4/26/2004) in regards to the four (4) shut-in wells operated by your company. It is the Division's understanding you intend to plug and abandon the CF&I 22-16 well this year. Please submit plugging procedure for the CF&I 22-16 when completed.

In my certified correspondence dated April 12<sup>th</sup>, 2004, I describe my understanding of our March 31, 2004 telephone discussions when you stated the intentions to plug and abandon the CF&I 42-16 well; and the Suniland State A-2 and the State 1-16A wells would be reworked and either put into production or plugged and abandoned in 2004. The submitted sundries did not state any plan of action or future intentions for these three wells.

DOGM requests that you resubmit sundries for the CF&I 42-16, the Suniland State A-2 and the State 1-16A wells stating your future intentions for these wells with a plan of action within 30 days receipt of this letter or further action may be initiated. If your intentions are to keep any of the wells shut-in it will be necessary to meet the extended shut-in and temporary abandonment well requirements as described in the certified letters we sent to your attention February 20<sup>th</sup> and March 19<sup>th</sup>, 2004.

For reference, Attachment A lists the wells subject to this request. In addition I have included several Form 9 Sundry Notices for your use. If you have any questions or need additional assistance in regards to the above matters please contact me at (801) 538-5281.

Sincerely,

Dustin Doucet  
Petroleum Engineer

cc Well File

	<b>Well Name</b>	<b>API</b>	<b>Lease Type</b>	<b>Years Inactive</b>
1	Suniland State A-2	43-019-10833	State	8 Years 2 Months
2	State 1-16A	43-019-30783	State	6 Years 4 Months

Attachment A

	<b>Well Name</b>	<b>API</b>	<b>Lease Type</b>	<b>Years Inactive</b>
1	CF&I 22-16	43-019-15819	Fee	10 Years 9 Months
2	CF&I 42-16	43-019-15820	Fee	10 Years 9 Months

Attachment A



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

February 4, 2009

Certified Mail No.: 7004 2510 0004 1824 6800

Richard Smoot  
S.W. Energy  
847 East 400 South  
Salt Lake City, UT 84102

Subject: Division Order to Plug and Abandon the Suniland State A-2 and State 1-16A wells operated by S.W. Energy

Dear Mr. Smoot:

As of the date of this Order S.W. Energy has not taken corrective action for Shut-in and Temporarily Abandoned Notices of Violation (see attachments) sent certified mail by the Division on November 29, 2007 (received November 30, 2007) and dated February 6, 2008 (received February 11, 2008).

The Division of Oil, Gas and Mining (the "Division") is hereby ordering S.W. Energy to Plug and Abandon two wells owned by S.W. Energy as follows:

1. Suniland State A-2 API No. 43-019-10833
2. State 1-16A API No. 43-019-30783

23S 17E 16

Division authority to order the wells plugged is found in The Oil and Gas Conservation General Rule R649-3-36. The wells shall be plugged in accordance with R649-3-24. Within 30 days of receipt of this order S.W. Energy shall submit notices of intent, for Division approval, to plug and abandon the wells.

Therefore, S.W. Energy has 30 days from receipt of this Order to enter into an agreement for execution of the Order.

S.W. Energy has the right to appeal the Division Order by filing to the Board of Oil, Gas and Mining a request for review according to procedures set forth in R649-10-6. A request for review of a Division Order must be filed with the secretary to the Board, Marianne Burbidge (801) 538-5302, within 30 days of issuance of the order.





Page 2

February 4, 2009

Subject: Division Order to Plug and Abandon

In the event S.W. Energy does not respond to the Division Plugging and Abandonment Order within 30 days of receipt, the Division will file for a formal hearing before the Board of Oil, Gas and Mining, as described in the Utah Administrative Code R641, requesting a Board Order to plug and restore the well sites. Should this matter be brought before the Board, the Division will seek bond forfeiture (R649-3-36), liability for plugging costs in excess of bond forfeiture amounts (R649-3-1-4) and civil penalties of up to \$10,000 per day for each day of violation (Utah Oil and Gas Conservation Act 40-6-11).

Questions regarding this Order may be directed to Clinton Dworshak, Compliance Manager at (801)-538-5280 or Dustin Doucet, Engineer at (801) 538-5281.

Sincerely,



Clinton Dworshak  
Compliance Manager

CD/js

Enclosures

cc: Gil Hunt, Associate Director  
Steve Alder, Assistant Attorney General  
Dustin Doucet, Engineer  
LaVonne Garrison, SITLA  
Compliance File  
Well File

N:\O&G Reviewed Docs\CLD



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil Gas and Mining

JOHN R. BAZA  
Division Director

November 29, 2007

Certified Mail No. 70042510000418245186

S. W. Energy  
847 East 400 South  
Salt Lake City, Utah 84102  
Attn: Richard Smoot

RE: Notice of Violation of R649-3-36 & R649-3-1

Dear Mr. Smoot,

The Division of Oil, Gas & Mining, (the Division) is hereby issuing a Notice of Violation for the wells included in Exhibit "A". The issuance of this notice is for violation of UAC R-649-3-36.

The Division is also Ordering Full Cost Bonding for the wells included in Exhibit "A". The Division has estimated the amount of full cost bonding at \$301,155 as noted in the Exhibit. Division authority for requesting full cost bonding is found under UAC R-649-3-1-4.2 & 4.3.

The Division's evidence of rule violations includes Division Bonding Records, Inspection Records, General Well File Records, Production and Disposition Records and previous notifications as follows:

1. A letter from SITLA Canceling Lease No. 45209 dated October 3, 2007
2. A letter covering Shut-In and TA status dated April 19, 2004
3. A letter covering Shut-In and TA status dated March 19, 2004

There are several options available to you for resolution of this matter. The options are as follows:

1. Post Full Cost Bonding and submit a plan for restoring production within one year
2. Restore the wells to production immediately
3. Post the Full Cost Bonding, perform an MIT, and show good cause of future use
4. Plug and Abandon the wells noted in Exhibit "A"
5. Sell these assets to a party that will comply with Division Rules and Regulations.



Page 2

November 29, 2007

Notice of Violation API #4301910833 & 4301930783

In the event that you wish to dispute this Notice of Violation, you may request an informal adjudication according to the procedures set forth in R-649-10-3 et seq. The request for hearing must be made within 10 days of receipt of this letter. As an alternative you have the right to request a formal adjudication before the Board of Oil, Gas & Mining in accordance with R-641 et seq.

Should the matter be brought before the Board of Oil, Gas and Mining, the Division may seek bond forfeiture and Civil Penalties of up to \$10,000 per day of violation. The Division will also hold you, as principal owner, liable for plugging costs in excess of the bond forfeiture amounts.

You are hereby given 30 days from date of receipt of this letter to resolve the Violation noted and bring your wells into compliance with applicable Rules. The Division is aware that the SITLA lease for the wells in Exhibit "A" has been retained by the Trust Lands Administration and that option 2 may not be available to you.

Questions regarding this matter may be directed to Mr. Mike Hebertson, Manager of Enforcement and Hearings at 801 538-5333, or to Mr. Dustin Doucet, Engineer, at 801 538-5281.

Sincerely,



K. Michael Hebertson  
Manager, Enforcement & Hearings

js

Enclosures

cc: Compliance File  
Steve Alder. Attorney General  
Gil Hunt. Associate Director, OGM  
Dustin Doucet. Engineer  
Earlene Russell. Bonding Agent

## EXHIBIT "A"

Well Name	API #	Lease Type	Estimated Plugging Costs	Time SI/TA (years/months)
Suniland State A-2	4301910833	SITLA	\$151,130.00	11Y
State 1-16A	4301930783	SITLA	\$150,025.00	9Y 2M
TOTAL			\$301,155.00	

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Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

**Sent To**  
 ATTN: Richard Smoot, SW ENERGY  
 Street, Apt. No.,  
 or PO Box No. 847 E 400 S  
 City, State, ZIP+4 84102

PS Form 3800, June 2002 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>1. Article Addressed to:</p> <p style="text-align: center;">ATTN RICHARD SMOOT            SW ENERGY            847 E 400 S            SALT LAKE CITY UT 84102</p> <p>2. Article Number            (Transfer from service label)</p>	<p>A. Signature    <input type="checkbox"/> Agent  <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____</p> <p>C. Date of Delivery            Nov 30 2001</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes            If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type  <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail  <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>7004 2510 0004 1824 5186</p>	



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil Gas and Mining

JOHN R. BAZA  
Division Director

February 6, 2008

Certified Mail No.: 7004 2510 0004 1824 5339

S. W. Energy  
847 East 400 South  
Salt Lake City, Utah 84102  
Attn: Richard Smoot

RE: 2<sup>nd</sup> Notice of Violation, R649-3-36 & Order to Post Full Cost Bonding R649-3-1

Dear Mr. Smoot,

As you have failed to respond to the NOV sent to you on the 29<sup>th</sup> of November 2007 the Division of Oil, Gas & Mining, (the Division) is hereby issuing a 2<sup>nd</sup> Notice of Violation for the wells included in Exhibit "A". The issuance of this notice is for violation of UAC R-649-3-36.

The Division has been made aware that SITLA has returned the lease payments and royalties made on this lease and has retained the lease. **Therefore, you are hereby Ordered to post Full Cost Bonding** for the wells included in Exhibit "A" or **Plug and Abandon the same immediately.** The Division has estimated the amount of full cost bonding at \$301,155 as noted in the Exhibit. Division authority for requesting full cost bonding is found under UAC R-649-3-1-4.2 & 4.3.

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1. Post Full Cost Bonding and submit a plan for restoring production within one year
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3. Post the Full Cost Bonding, perform an MIT, and show good cause of future use
4. Plug and Abandon the wells noted in Exhibit "A"
5. Sell these assets to a party that will comply with Division Rules and Regulations.



Page 2

February 6, 2008

2<sup>nd</sup> Notice of Violation, R649-3-36 & Order to Post Full Cost Bonding R649-3-1

In the event that you wish to dispute this Notice of Violation, you may request an informal adjudication according to the procedures set forth in R-649-10-3 et seq. The request for hearing must be made within 10 days of receipt of this letter. As an alternative you have the right to request a formal adjudication before the Board of Oil, Gas & Mining in accordance with R-641 et seq.

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You are hereby given 30 days from date of receipt of this letter to resolve the Violation noted and bring your wells into compliance with applicable Rules. Should you fail to execute this Order the Division will begin legal proceedings.

You are encouraged to contact the Division and come in for a meeting to negotiate a settlement and resolution concerning these wells. Questions regarding this matter may be directed to Mr. Mike Hebertson, Manager of Enforcement and Hearings at 801 538-5333, or to Mr. Dustin Doucet, Engineer, at 801 538-5281.

Sincerely,



K. Michael Hebertson  
Manager, Enforcement & Hearings

js

Enclosure

cc: Compliance File  
Steve Alder, Attorney General  
Gil Hunt, Associate Director, OGM  
Dustin Doucet, Engineer  
Earlene Russell, Bonding Agent

EXHIBIT "A"

Well Name	API #	Lease Type	Estimated Plugging Costs	Time SI/TA (years/months)
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State 1-16A	4301930783	SITLA	\$150,025.00	9Y 2M
TOTAL			\$301,155.00	



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Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To SW Energy Attn: Richard Smoot  
 Street, Apt. No. or PO Box No. 847 E. 400 S.  
 City, State, ZIP+4 SLC UT 84102

PS Form 3800, June 2002

See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**RICHARD SMOOT**  
**S W ENERGY**  
**847 E 400 S**  
**SALT LAKE CITY UT 84102**

2. Article Number  
 (Transfer from service label)

PS Form 3811, August 2001

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature X [Signature] ☐ Agent ☐ Addressee

B. Received by (Printed Name) \_\_\_\_\_ C. Date of Delivery \_\_\_\_\_

D. Is delivery address different from item 1? ☐ Yes  
 If YES, enter delivery address below: ☐ No

3. Service Type  
☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

7004 2510 0004 1824 5339

Domestic Return Receipt

102595-02-M-1035



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil Gas and Mining

JOHN R. BAZA  
Division Director

November 29, 2007

Certified Mail No. 70042510000418245186

S. W. Energy  
847 East 400 South  
Salt Lake City, Utah 84102  
Attn: Richard Smoot

RE: Notice of Violation of R649-3-36 & R649-3-1

Dear Mr. Smoot,

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There are several options available to you for resolution of this matter. The options are as follows:

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5. Sell these assets to a party that will comply with Division Rules and Regulations.



Page 2

November 29, 2007

Notice of Violation API #4301910833 & 4301930783

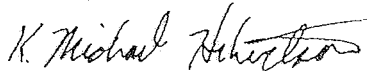
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Questions regarding this matter may be directed to Mr. Mike Hebertson, Manager of Enforcement and Hearings at 801 538-5333, or to Mr. Dustin Doucet, Engineer, at 801 538-5281.

Sincerely,



K. Michael Hebertson  
Manager, Enforcement & Hearings

js

Enclosures

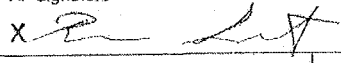
cc: Compliance File  
Steve Alder, Attorney General  
Gil Hunt, Associate Director, OGM  
Dustin Doucet, Engineer  
Earlene Russell, Bonding Agent

## EXHIBIT "A"

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State 1-16A	4301930783	SITLA	\$150,025.00	9Y 2M
TOTAL			\$301,155.00	

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<b>OFFICIAL USE</b>	
Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$
Postmark Date	
Sent To ATTN Richard Smoot SW ENERGY	
Street, Apt. No., or PO Box No. 847 E 400 S	
City, State, ZIP+4 SALT LAKE CITY UT 84102	
PS Form 3800, June 2002 See Reverse for Instructions	

<b>SENDER: COMPLETE THIS SECTION</b>	<b>COMPLETE THIS SECTION ON DELIVERY</b>
<ul style="list-style-type: none"><li>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li><li>■ Print your name and address on the reverse so that we can return the card to you.</li><li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li></ul>	A. Signature  <input type="checkbox"/> Agent <input type="checkbox"/> Addressee
	B. Received by (Printed Name) C. Date of Delivery
	D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below: NOV 30
1. Article Addressed to:  ATTN RICHARD SMOOT SW ENERGY 847 E 400 S SALT LAKE CITY UT 84102	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.
2. Article Number (Transfer from service label)	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes
7004 2510 0004 1824 5186	



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA  
Division Director

February 6, 2008

Certified Mail No.: 7004 2510 0004 1824 5339

S. W. Energy  
847 East 400 South  
Salt Lake City, Utah 84102  
Attn: Richard Smoot

RE: 2<sup>nd</sup> Notice of Violation, R649-3-36 & Order to Post Full Cost Bonding R649-3-1

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Page 2

February 6, 2008

2<sup>nd</sup> Notice of Violation, R649-3-36 & Order to Post Full Cost Bonding R649-3-1

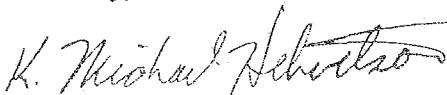
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Sincerely,



K. Michael Hebertson  
Manager, Enforcement & Hearings

js

Enclosure

cc: Compliance File  
Steve Alder, Attorney General  
Gil Hunt, Associate Director, OGM  
Dustin Doucet, Engineer  
Earlene Russell, Bonding Agent

## EXHIBIT "A"

Well Name	API #	Lease Type	Estimated Plugging Costs	Time SI/TA (years/months)
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State 1-16A	4301930783	SITLA	\$150,025.00	9Y 2M
TOTAL			\$301,155.00	



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**OFFICIAL USE**

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To: **SW Energy Attn: Richard Smoot**  
 Street, Apt. No. or PO Box No: **847 E. 400 S.**  
 City, State, ZIP+4: **SLC, UT 84102**

PS Form 3811, June 2002

See Reverse for Instructions

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you
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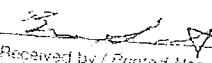
**RICHARD SMOOT  
 S W ENERGY  
 847 E 400 S  
 SALT LAKE CITY UT 84102**

2. Article Number  
 (Transfer from service label)

PS Form 3811, August 2001

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

**X**   
 B. Received by (Printed Name)

☐ Agent  
☐ Addressee

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes  
 If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

7004 2510 0004 1824 5339

Domestic Return Receipt

102595-02-M-1035

7004 2510 0004 1824 1800

U.S. Postal Service	
<b>CERTIFIED MAIL RECEIPT</b>	
(Domestic Mail Only. No Insurance Coverage Provided)	
For delivery information, visit our website at <a href="http://www.usps.com">www.usps.com</a>	
<b>OFFICIAL USE</b>	
Postage \$	2/4/09 Postmark Here
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Po	
Sent To RICHARD SMOOT	
SW ENERGY	
847 E 400 S	
SALT LAKE CITY UT 84102	

Is your RETURN ORDER completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- ☐ Addressee's Address
- ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

RICHARD SMOOT  
SW ENERGY  
847 E 400 S  
SALT LAKE CITY UT 84102

4a. Article Number

7004 2510 0004 1824

4b. Service Type

☐ Registered ☒ Certified

☐ Express Mail ☐ Insured

☐ Return Receipt for Merchandise ☐ COD

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X *Richard Smoot*

7. Date of Delivery

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

PS Form 3811, December 1994

102595-97-B-0179 Domestic Return Receipt



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

February 4, 2009

Certified Mail No.: 7004 2510 0004 1824 6800

Richard Smoot  
S.W. Energy  
847 East 400 South  
Salt Lake City, UT 84102

Subject: Division Order to Plug and Abandon the Suniland State A-2 and State 1-16A wells  
operated by S.W. Energy

23 S 17E 16

Dear Mr. Smoot:

As of the date of this Order S.W. Energy has not taken corrective action for Shut-in and Temporarily Abandoned Notices of Violation (see attachments) sent certified mail by the Division on November 29, 2007 (received November 30, 2007) and dated February 6, 2008 (received February 11, 2008).

The Division of Oil, Gas and Mining (the "Division") is hereby ordering S.W. Energy to Plug and Abandon two wells owned by S.W. Energy as follows:

1. Suniland State A-2 API No. 43-019-10833
2. State 1-16A API No. 43-019-30783

Division authority to order the wells plugged is found in The Oil and Gas Conservation General Rule R649-3-36. The wells shall be plugged in accordance with R649-3-24. Within 30 days of receipt of this order S.W. Energy shall submit notices of intent, for Division approval, to plug and abandon the wells.

Therefore, S.W. Energy has 30 days from receipt of this Order to enter into an agreement for execution of the Order.

S.W. Energy has the right to appeal the Division Order by filing to the Board of Oil, Gas and Mining a request for review according to procedures set forth in R649-10-6. A request for review of a Division Order must be filed with the secretary to the Board, Marianne Burbidge (801) 538-5302, within 30 days of issuance of the order.



Page 2

February 4, 2009

Subject: Division Order to Plug and Abandon

In the event S.W. Energy does not respond to the Division Plugging and Abandonment Order within 30 days of receipt, the Division will file for a formal hearing before the Board of Oil, Gas and Mining, as described in the Utah Administrative Code R641, requesting a Board Order to plug and restore the well sites. Should this matter be brought before the Board, the Division will seek bond forfeiture (R649-3-36), liability for plugging costs in excess of bond forfeiture amounts (R649-3-1-4) and civil penalties of up to \$10,000 per day for each day of violation (Utah Oil and Gas Conservation Act 40-6-11).

Questions regarding this Order may be directed to Clinton Dworshak, Compliance Manager at (801)-538-5280 or Dustin Doucet, Engineer at (801) 538-5281.

Sincerely,



Clinton Dworshak  
Compliance Manager

CD/js

Enclosures

cc: Gil Hunt, Associate Director  
Steve Alder, Assistant Attorney General  
Dustin Doucet, Engineer  
LaVonne Garrison, SITLA  
Compliance File  
Well File

N:\O&G Reviewed Docs\CLD



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

March 4, 2009

Certified Mail No.: 7004 1160 0003 0190 2624

Rosanne Smoot, President  
Richard Smoot & S.W. Energy  
847 East 400 South  
Salt Lake City, Utah 84102

43 019 30783  
235 17E 16

Subject: Richard Smoot & S.W. Energy Plugging Extension Request for the Suniland State A2, State 1-16A, CF&I 22-16 and CF&I 42-16 wells.

Dear Ms. Smoot:

The Division of Oil, Gas and Mining (the "Division") is in receipt of your plugging extension request dated February 24, 2009 (received February 25, 2009). It is the Divisions understanding that S.W. Energy will plug and abandon the State 1-16A well by July 2009 or earlier, and will continue to plug and abandon the other three wells based on the financial ability of S.W. Energy. Estimated plugging dates for the Suniland State A2, CF&I 22-16 and CF&I 42-16 wells must be submitted to the Division as soon as possible.

The Division grants the extension request based on the submitted plugging proposal and to allow the family time to organize your father's business affairs. Please submit notice of intent sundries to plug and abandon the wells, for Division approval, at your earliest convenience. Should the proposed plugging plan change the Division shall be notified immediately.

Questions regarding this matter may be directed to Clinton Dworshak, Compliance Manager, at (801) 538-5280 or Dustin Doucet, Engineer, at (801) 538-5281.

Sincerely,

Clinton Dworshak  
Compliance Manager

cc: Gil Hunt, Associate Director  
Dustin Doucet, Engineer  
LaVonne Garrison, SITLA  
Compliance File  
Well Files

N:\O&G Reviewed Docs\CLD



STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER \_\_\_\_\_

2. NAME OF OPERATOR:

S W Energy Corp.

3. ADDRESS OF OPERATOR:

847 East 4th South

CITY

Salt Lake City

STATE

UT

ZIP

84102

PHONE NUMBER:

(801) 532-6664

5. LEASE DESIGNATION AND SERIAL NUMBER:

ML 45209

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

State #1-16A

9. API NUMBER:

4301930783

10. FIELD AND POOL, OR WILDCAT:

Salt Wash

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 800' FSL 1840' FEL

COUNTY: Grand

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 16 23S 17E

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 1 July 2009	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

1. First Plug - 8600' - 7410'	1200' cement	27 bbls slurry	135 sx
2. Second Plug - 5028' - 4928'	215' cement	5 bbls slurry	25 sx
3. Third Plug - 2020' - 1920'	215' cement	5 bbls slurry	25 sx
4. Fourth Plug - 100' - surface	100' cement	3 bbls slurry	15 sx

Cut wellhead off. If annulus of 5 1/2" X 8 5/8" is not full of cement, run 1" - 50' and cement to surface.

If annulus of 8 5/8" X 13 3/8" is not full of cement, run 1" - 50' and cement to surface.

Weld on dry hole marker.

COPY SENT TO OPERATOR

Date: 6.25.2009

Initials: KS

NAME (PLEASE PRINT) Rosanne Smoot Henshaw

TITLE President

SIGNATURE Rosanne Smoot Henshaw

DATE 16 June 2009

(This space for State use only)

APPROVED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING

DATE: 6/25/09

(See Instructions on Reverse Side)

BY: [Signature]

\* See Conditions of Approval (Attached)

RECEIVED

JUN 18 2009

DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

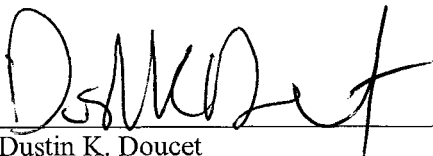
JOHN R. BAZA  
Division Director

## ***CONDITIONS OF APPROVAL TO PLUG AND ABANDON WELL***

Well Name and Number: State 1-16A  
API Number: 43-019-30783  
Operator: SW Energy Corp.  
Reference Document: Original Sundry Notice dated June 16, 2009,  
received by DOGM on June 18, 2009.

### Approval Conditions:

1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.
2. **Amend Plug #2 (Step # 2):** The plug shall be moved 100' shallower and balanced across the squeezed perf from 5128' to 4928'.
3. Surface reclamation shall be done in accordance with R649-3-34 – Well Site Restoration.
4. Balance plugs shall be tagged to ensure they are at the depths specified in the proposal.
5. All annuli shall be cemented from a minimum depth of 50' to the surface.
6. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.
7. If there are any changes to the plugging procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 (ofc) or 801-733-0983 (home) prior to continuing with the procedure.
8. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.

  
Dustin K. Doucet  
Petroleum Engineer

June 25, 2009  
Date



API Well No: 43-019-30783-00-00

Permit No:

Well Name/No: STATE 1-16A

Company Name: S W ENERGY CORPORATION

Location: Sec: 16 T: 23S R: 17E Spot: SWSE

Coordinates: X: 582736 Y: 4295406

Field Name: SALT WASH

County Name: GRAND

## String Information

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)
HOL1	40	17.5		
COND	40	13.325		
HOL2	1970	12.25		
SURF	1970	8.625	32	
HOL3	8825	7.875		
PROD	8806	5.5	17	4960
PROD	8806	5.5	23	3646

Capacity  
(F/cf)

7.661  
8.407  
4.0936  
5.643

Conductor: 13.325 in. @ 40 ft.

Hole: 17.5 in. @ 40 ft.

Plug #4

$$(155 \times) (1.15) (7.661) = 132'$$

$$7\frac{7}{8}'' \times 5\frac{1}{2}'' (108)$$

$$8\frac{7}{8}'' \times 5\frac{1}{2}''$$

Cement from 1970 ft.

Surface: 8.625 in. @ 1970 ft.

Hole: 12.25 in. @ 1970 ft.

Plug #3

$$(255 \times) (1.15) (7.661) = 220'$$

$$TOC \pm 1800'$$

## Cement Information

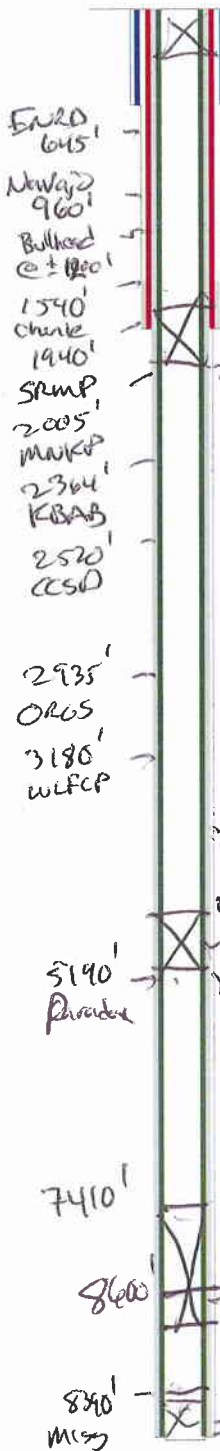
String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
PROD	8806	0	UK	400
PROD	8806	0	35	340
PROD	8806	0	A	300
SURF	1970		A	725

## Perforation Information

Top (ft sub)	Bottom (ft sub)	Shts/Ft	No Shts	Dt Squeeze
8670	8800			

## Formation Information

Formation	Depth
ENRD	645
NAVA	960
WINGT	1275
CHIN	1540
SRMP	1940
MNKP	2005
KBAB	2364
CCSD	2520
ORGS	2935
WLFCP	3180
RICO	4205
thermosq	4434
Purdex	5190'
Caneck	8050'
M155/Leadville	8390'



TD:

8825 TVD:

PBTD:





JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

March 25, 2009

Certified Mail No.: 7004 1160 0003 0190 2709

Rosanne Smoot, President  
Richard Smoot & S.W. Energy  
847 East 400 South  
Salt Lake City, UT 84102

43 019 30783  
23S 17E 16

Subject: Richard Smoot & S.W. Energy Plugging Extension Request for the Suniland State A2, State 1-16A, CF&I 22-16 and CF&I 42-16 wells.

Dear Ms. Smoot:

This response is to the letter you sent the Division of Oil, Gas and Mining (the "Division") dated March 17, 2009 (received March 18, 2009). Your letter confirmed the plugging of the State 1-16A by July 2009 and proposed plugging the Suniland A-2 by year-end 2010, the CF&I 22-16 by year-end 2011 and the CF&I 42-16 by year-end 2012.

The Division denies any plugging proposal beyond year-end 2010. I spoke to your brother Jonathan Smoot (March 19, 2009) regarding this matter. Jonathan understood the Division's position and proposed plugging the State 1-16A and Suniland A-2 wells this year (2009) and plugging the CF&I 22-16 and CF&I 42-16 wells next year (2010). The Division approves this plugging proposal. Should this plan change the Division shall be notified immediately.

I checked, for Jonathan, the state lease status of Section 16-T23S-R17E. The SITLA records I reviewed had Section 16 unleased. I recommend you confirm that with Jim Davis (801-538-5156) or Lisa Wells (801-538-5154).



Page 2

Subject: Division Order to Plug and Abandon

March 25, 2009

Enclosed is a copy of a letter Jonathan requested, that was sent to your father on August 31, 2004. It includes wellbore diagrams, recommended plug placement and approximate number of sacks for each plug for the CF&I 22-16 and CF&I 42-16 wells.

Questions regarding this matter may be directed to Clinton Dworshak, Compliance Manager at (801) 538-5280 or Dustin Doucet, Petroleum Engineer, at (801) 538-5281.

Sincerely,



Clinton Dworshak  
Compliance Manager

CLD/js

Enclosure

cc: Gil Hunt, Associate Director  
Dustin Doucet, Petroleum Engineer  
LaVonne Garrison, SITLA  
Compliance File  
Well Files

N:\O&G Reviewed Docs\CLD



State of Utah

Department of  
Natural Resources

ROBERT L. MORGAN  
*Executive Director*

Division of  
Oil, Gas & Mining

LOWELL P. BRAXTON  
*Division Director*

OLENE S. WALKER  
*Governor*

GAYLE F. McKEACHNIE  
*Lieutenant Governor*

August 31, 2004

CERTIFIED MAIL NO. 7002 0510 0003 8602 6105

Mr. Richard Smoot  
847 E 400 S  
Salt Lake City, Utah 84012

Re: Plugging and Abandoning the CF&I 22-16 and CF&I 42-16 wells

Dear Mr. Smoot:

235 17E 16  
43-019-15819

Based on your phone conversation on 8/25/2004 with Division personnel it is our understanding you intend to plug and abandon two (2) shut-in wells this year, the CF&I 22-16 (API # 43-019-15819) and CF&I 42-16 (API # 43-019-15820). You had stated that because of mechanical problems with these wells, you felt that these well bores didn't have any future use.

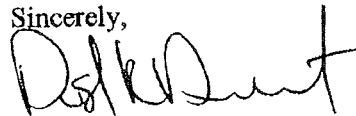
The Division has reviewed our in-house records for the CF&I 22-16 and CF&I 42-16 wells and has attached detailed well bore schematics of each well for your convenience. The schematics show recommended plug placement and the approximate number of sacks of cement necessary for each plug.

In summary each well will require 4 (four) plugs. Plug 1 shall be placed as deep in the well bore as possible. Assuming you can not get below the collapsed casing or fish (located at roughly 5300' in each well), approximately 200 sacks of cement will need to be squeezed below a CICR in an attempt to properly separate the perforated intervals in the Leadville Formation from the remainder of the well bore (R649-3-24.3.6). Plugs 2 and 3 will require a CICR with perforations below the retainer so cement can be squeezed between the production casing and the annulus to prevent the migration of fluid between formations (R649-3-24.3 & R649-3-24.3.5). Plug 4 at the surface will require cement inside the production casing and in the annulus between the production and surface casings (R649-3-24.3.3).

Page 2  
Mr. Richard Smoot  
August 31, 2004

As requested, I have included several copies of Form 9 – Sundry Notices and Reports on Wells. Please submit your plugging procedures with a Form 9 for Division approval at your earliest convenience. If you have any questions or need additional assistance in regards to the above matters please contact me at (801) 538-5281.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dustin Doucet', with a stylized, cursive script.

Dustin Doucet  
Petroleum Engineer

DKD:jc  
Attachments  
cc: Well files

8/26/2004

## Wellbore Diagram

r263

API Well No: 43-019-15819-00-00

Permit No:

Well Name/No: CF&amp;I 22-16

Company Name: SMOOT, RICHARD P

Location: Sec: 16 T: 23S R: 17E Spot: SENW

Coordinates: X: 582338 Y: 4296146

Field Name: SALT WASH

County Name: GRAND

## String Information

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)
HOL1	1702	13.75		
SURF	1702	10.75	40.5	
HOL2	8910	7.875		
PROD	8910	4.5	11.6	

11.459 } -1.92

Surface

Plug #4

Inside 100 / (1.18) (11.459) = 8 sks

Outside 100 / (1.18) (1.92) = 44 sks

52 sks Total

Cement from 1702 ft. to surface

Surface: 10.75 in. @ 1702 ft.

Hole: 13.75 in. @ 1702 ft.

Plug #3 CIRC ± 1700

perfs @ 1750

Above 50 / (1.18) (11.459) = 4 sks

below 50 / (1.18) (11.459) = 4 sks

outside 50 / (1.18) (1.92) = 22 sks

outside 50 / (1.18) (2.66) = 16 sks

46 sks Total

## Cement Information

String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
PROD	8910	5642	UK	1045
SURF	1702	0	UK	1400

Perm  
4469

Penn

5397 Salt

TOC  
5642

Plug #2 CIRC ± 4419

perfs @ 4469

above 50 / (1.18) (11.459) = 4 sks

below 50 / (1.18) (11.459) = 4 sks

outside 100 / (1.18) (2.66) = 32 sks

40 sks Total

## Perforation Information

8900 - 8906

$$\frac{[(1.2)(7.875)]^2 - 4.5^2}{183.35} = 266$$

5698 Top of Fish

Plug #1 CIRC ± 5600

Above 200 / (1.18) (11.459) = 15 sks

below - 200 sks

215 sks Total

## Formation Information

Formation	Depth
SUMM	0
ENRD	143
CARM	597
NAVA	753
KAYT	1164
WING	1302
CHIN	1674
MNKP	2627
WHRM	2663
ORGS	2921
ELEC	3157

Hendon Trail 4469

Salt 5397 Penn

Pinkerton 8497

Leadville 8605 Miss

Penn  
8605  
Miss

Cement from 8910 ft. to 5642 ft.

Production: 4.5 in. @ 8910 ft.

Hole: 7.875 in. @ 8910 ft.

TD:

8910 TVD:

PBD:

8/26/2004

## Wellbore Diagram

r263

API Well No: 43-019-15820-00-00

Permit No:

Well Name/No: CF&amp;I 42-16

Company Name: SMOOT, RICHARD P

Location: Sec: 16 T: 23S R: 17E Spot: SENE

Coordinates: X: 583054 Y: 4296125

Field Name: SALT WASH

County Name: GRAND

## String Information

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)
HOL1	1801	12.25		
SURF	1801	8.625	32	
HOL2	8931	7.875		
PROD	8931	4.5	11.6	11.459

} 4.315

Plug #4 Surface

Inside 100 / (1.18) (11.459) = 8 SKS  
 outside 100 / (1.18) (4.315) = 20 SKS

28 SKS Total

Cement from 1801 ft. to surface

Surface: 8.625 in. @ 1801 ft.

Hole: 12.25 in. @ 1801 ft.

Plug #3 CIRC @ ± 1800'

perfs @ 1850

Above 50 / (1.18) (11.459) = 4 SKS  
 below 50 / (1.18) (11.459) = 4 SKS  
 outside 50 / (1.18) (4.315) = 10 SKS  
 outside 50 / (1.18) (4.315) = 16 SKS

34 SKS Total

## Cement Information

String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
PROD	8931	8674	UK	85
PROD	8471	8227	UK	650 cubic feet
SURF	1801	0	UK	1200

$$\frac{[(1.2)(7.875)]^2 - 4.5^2}{183.35} = 2.66$$

Plug #2 CIRC @ ± 3145'

perfs @ 3195

Above 50 / (1.18) (11.459) = 4 SKS  
 below 50 / (1.18) (11.459) = 4 SKS  
 outside 100 / (1.18) (4.66) = 32 SKS

40 SKS Total

## Perforation Information

Plug #1 CIRC @ ± 5200'

Above 200' / (1.18) (11.459) = 15 SKS } Total 215 SKS  
 below 200 SKS

## Formation Information

Formation	Depth
MNKP	2110
KBAB	2660
WHRM	2691
OROS	2945
ELEC	3195
HNKRT	4412
LDLL	8632

Cement from 8471 ft. to 8227 ft.

Cement from 8931 ft. to 8674 ft.

Production: 4.5 in. @ 8931 ft.

Hole: 7.875 in. @ 8931 ft.

Hole: Unknown

DU Tool 8471

TD:

8941 TVD:

PBTD:

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-45209
2. NAME OF OPERATOR: S. W. Energy Corp.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 847 E. 400 So. CITY Salt Lake City STATE UT ZIP 84102		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 800' FSL 1840' FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 16 23S 17E		8. WELL NAME and NUMBER: State #1-16A
PHONE NUMBER: (801) 532-6664		9. API NUMBER: 4301930783
		10. FIELD AND POOL, OR WILDCAT: Salt Wash
		COUNTY: Grand
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 7/17/2009	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

1. First plug - 8600' - 7292' 135 sx All cement wgt. 15.8+
2. Second plug - 5128' - 4900' 25 sx Cement yield 1.18 sx/cu ft
3. Third plug - 2020' - 1619' 35 sx
- Perforate 5 1/2" casing with 8 shots @ 1518' - 1516'
4. Fourth plug - 1518' - 1380' inside 5 1/2" casing and 1518' - 1300' between 5 1/2" casing and 8 5/8" casing 55 sx
- Cut casing @ 150'
5. Fifth plug - 150' - surface inside 5 1/2" casing and between 5 1/2" casing and 8 5/8" casing 35 sx
- Weld on dry hole marker.
- Plugging date - 7/17/09
- ALL WORK WITNESSED BY BART KETTLE,  
PETROLEUM OPERATIONS SPECIALIST,  
STATE OF UTAH

NAME (PLEASE PRINT) Rosanne S. Henshaw	TITLE President
SIGNATURE <i>Rosanne S. Henshaw</i>	DATE 13 August 2009

(This space for State use only)

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